



WESTERN REGION OF NIGERIA

**DEVELOPMENT
OF THE
WESTERN REGION OF NIGERIA
1955-1960**

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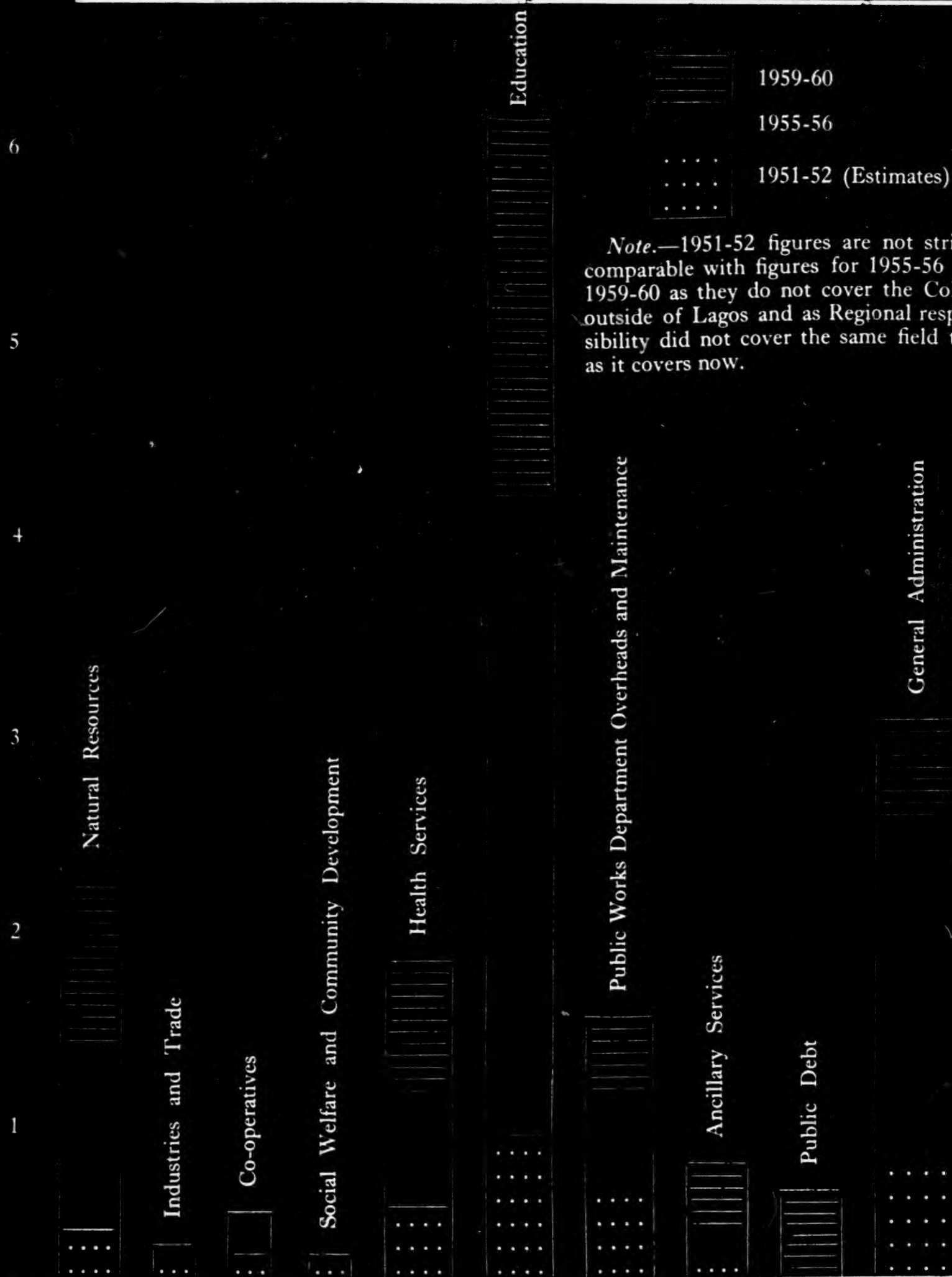
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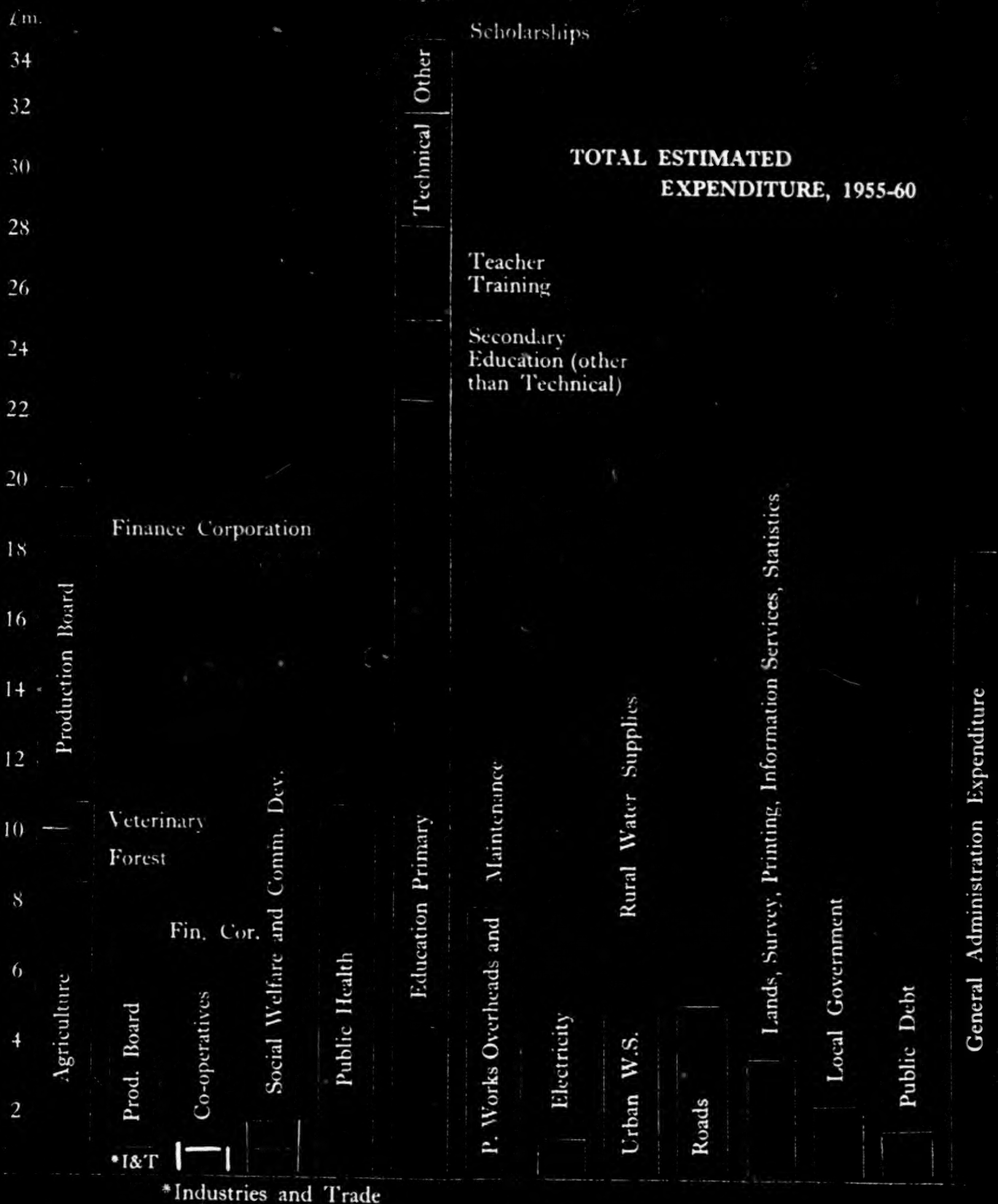
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RECURRENT EXPENDITURE, 1959-60 COMPARED WITH 1955-56 AND 1951-52



Note.—1951-52 figures are not strictly comparable with figures for 1955-56 and 1959-60 as they do not cover the Colony outside of Lagos and as Regional responsibility did not cover the same field then as it covers now.







The Development of the Western Region of Nigeria—1955-60

PART I.—GENERAL OBSERVATIONS

Introduction

Development planning in Nigeria began in 1945 when the Secretary of State for the Colonies called upon the Governments of all the British Dependencies to produce proposals for development which they would wish to see take place in their respective territories during the next ten years if the necessary funds could be made available. The result was, in so far as Nigeria was concerned, the well-known "Ten Year Plan of Development and Welfare" which, after approval by the Secretary of State, was laid on the Table of the then Legislative Council on 7th February, 1946, as Sessional Paper No. 24 of 1945. The Plan came into effect on 1st April, 1946, and was to have run on to the 31st March, 1956. But experience very soon proved that planning for ten years was an unrealistic exercise because the data upon which the plan was based were constantly changing and it was impossible to foresee with anything like reasonable exactitude the requirements of any territory over a period so long. The original Plan was therefore cut in two and a revised plan introduced for the latter half of the period, that is to say, for 1951-56. The practice now is to plan for five-year periods.

2. The Ten Year Plan of Development and Welfare covered all Nigeria, and so did the revised version for 1951-56. When, however, the country became a Federation on 1st of October, 1954, it became necessary to regionalise the Plan and from that date each of the constituent Governments of the Federation has taken control of that part of it which pertains to its own territory and to subjects within its Constitutional jurisdiction.

3. Along with the obligation to complete its section of the 1951-56 Plan, each Government took over the entitlements to the funds from all sources which had been earmarked for that section of the Plan. The amounts due to the Regional Governments from Nigerian resources under the Plan are being paid over to them this year by the Government of the Federation in accordance with the provisions made to that end in the Constitution—the Nigeria (Constitution) Order in Council, 1954. The corresponding allocations from Colonial Development and Welfare Funds have likewise been transferred to the respective Regional Governments.

4. The 1951-56 Plan, as originally proposed, is not due to come to an end until the 31st of March, 1956. It was, however, suggested by the Secretary of State for the Colonies and agreed by all concerned that the next planning period should be from 1st April, 1955 to 31st March, 1960. This means that there will be an overlap of one year between the old Plan and the new. Since the concurrent operation of two plans can only lead to confusion, it has also been agreed with the Secretary of State that the old Plan should be regarded as terminated with effect from 31st March, 1955, provided that the outstanding allocations under the old Colonial Development and Welfare Act in respect of Schemes under that Plan are carried forward into the new planning period in favour of the respective Governments concerned and will be additional to their allocations under the new Colonial Development and Welfare Act.

5. The termination with effect from 31st March, 1955 of the 1951-56 Plan does not, of course, mean the termination of the Schemes which were in progress under that Plan. Their implementation has been continued without a break and the effect of the agreement with the Secretary of State to which reference has been made is that these uncompleted schemes will now form part of the Development Programme for 1955-60.

6. As everybody knows who has kept in touch with affairs in the Western Region in the last few years, development in the Region since 1952 has not been confined to that which was contained in the revised Plan of Development for 1951-56. Although the schemes under the

Plan have made a valuable contribution to economic advancement in the Region, the tempo of economic activities as well as its direction has in fact been dictated by the policy papers on specific development programmes which have been tabled in the Regional Legislature from time to time by the Government of the Region. The main purpose of the Plan now put forward for 1955-60 is to continue the policies set out in those papers, to the maximum extent possible within the financial resources of the Region.

Consultations and Expert Advice

7. The Report of the Mission to Nigeria of the International Bank for Reconstruction and Development has been of great value to the Government in the formulation of the economic programme for the next five years. Where departures have been made from the recommendations of the Mission, they have been made because, in the opinion of the Government, the circumstances in which the recommendations were put forward or the data upon which they were founded have changed, or there are other relevant considerations to which the Government must give weight.

8. The Government has also had the benefit of the advice of Professor W. Arthur Lewis of Manchester University. This advice has been most invaluable and Government derived considerable profit from the consultations that took place with him over certain aspects of the Plan.

9. The greatest contribution of all, however, was made by the Economic Planning Committee of the Government, which was responsible for analysing the proposals put forward by the different Ministries and collating them into a coherent Plan for the consideration of the Council. It will be remembered that the establishment of Committees of this kind was one of the recommendations of the International Bank Mission. The adoption of that recommendation has proved of immense value to the Western Region Government. The Government owe a great debt of gratitude to the unofficial members of the Economic Planning Committee, who gave freely and willingly of their time and energy to the preparation of the new Development Plan, and whose expert knowledge and advice have added considerably to the quality of the Plan.

Basic Principles

10. In drawing up the new Development Plan the Government has profited from the experience gained under the Ten-Year Plan of Development and Welfare. The question of the planning period has already been referred to. No country within the Commonwealth attempts now to plan on a Ten-Year basis. One other problem encountered in the formulation and implementation of the 1946 Plan was that of distinguishing development expenditure from expenditure of a non-developmental character. Capital expenditure on the setting up of a new industrial project is obviously development expenditure, but what about expenditure on the erection of a new Block to house the Ministry of Development? It is possible to argue that that is also development expenditure and it is possible to argue that it is not. In the opinion of the Government and its advisers, the distinction between development and non-development in this context is of little importance. Accordingly, for the purposes of the new Plan, the word "development" has been given a wider connotation than it has had in the past. The new programme covers the expansion of all activities of the Government—administrative, executive and economic. The aim has been to construct a balanced programme, covering the whole of the Government sector of the economy. The Plan also indicates ways in which the Government proposes to assist the private sector so that it may play its full part in the development of the Region. The overall objective is to increase production in the Region, both agricultural and industrial, so as to bring about a steady rise in income and standard of living. In the pursuance of that objective, the Government is guided by a number of principles.

11. The primary function of a Government is the provision of those public services without which individual effort and initiative would be futile—education and health services, water, electrical energy, and that network of communications without which private enterprise could not flourish. Public services are basic to the economic development of a country. They improve its physical equipment as well as the skills and the quality of its people. If they are inadequate or stagnant, agriculture cannot become sufficiently productive or factories operate successfully. That is why the present Government of the Western Region makes the expansion of the education and health services its first object of policy. Thanks to the foundations laid under the Ten-Year Plan and, more recently, the energetic action taken by Government in these and other fields during the past four years, there has been an impressive growth of public services in the Region. But the level already attained, commendable though it is, is still below that which the Government would like to see obtaining generally in the Region. Accordingly, programmes for the further expansion of public services hold prominent places in the new Development Plan, and it is the Government's firm intention, during the period covered by the Plan, to press on with their implementation.

12. This leads to the second important principle which has governed the formulation of the new Plan, namely, that if public services are to be expanded and maintained, the productive capacity of the Region's economy must be strengthened so as to bring about a substantial increase in real income per head and hence an increase in the potential revenue of the Government. The level of social services that a country can and is entitled to enjoy is that which can be maintained from its revenues. Emphasis has therefore been placed in the new Plan on the development and expansion of those Government activities which may be called productive in the narrow but important sense of being conducive to an early increase in the National Income, e.g., Agriculture, Forestry, Co-operatives and Industries. As the Secretary of State for the Colonies has pointed out :

"Colonial Governments will defeat their own object if they saddle themselves with a crippling burden of recurrent charges on capital which does not earn a return (—an early return). The only certain way of providing for these recurrent charges is to see that a proper place is given in the Development Plan to those basic services which make a more direct contribution to the expansion of the territory's resources."

13. The third principle follows naturally upon the second. It is to ensure that the level of Government's recurrent expenditure at the end of the planning period is no higher as a result of the immense capital outlay that the Plan involves than can be carried by the level of recurrent revenue at that time. This requires a substantial increase in the current level of total revenue. One of the steps by which Government hopes to be able to effect this increase is indicated in Part II of this Paper.

14. Social development has been defined as the bringing to a community of a vision of the better way of life which by their own efforts they could build for themselves. Because the Western Region Government in 1952 found itself faced with a situation in which the level of services in vital fields (Education, Health, Agriculture, etc.) was exceedingly low, it made it its duty to promote development more by direct Government activity than by local initiative. The task could not have been performed as quickly as the circumstances required, by any other way. The success that has attended this effort is a complete justification of the course then adopted. The achievements of the Government in the social as well as the economic field in the last three years have shown the citizens of the Western Region "a vision of the better way of life which by their own efforts they could build for themselves". The fourth important principle underlying the new Plan is therefore the increased use of the community development spirit as a medium of fostering economic progress. It is the confident hope of the Government that its invitation for increased local participation in the financing and implementation of the new Plan will meet with the keenest response from a people appreciative of what has already been done for them. The Government

is fortified in this hope by the knowledge that there exists in this Region a strong tradition of community self help, evidenced by the many schools, dispensaries, maternity centres, roads and even hospitals which owe their existence today solely or substantially to local effort. It is intended to build on that tradition.

Limiting Factors

15. The status of the Western Region as one unit of a Federation sets certain limits within which the Region has discretion to plan. Planning has of necessity been restricted to those fields over which the Western Region Government has jurisdiction.

16. It is commonly said that one of the differences between the preparation of a national budget and the preparation of a private one is that the individual has to frame his expenditure programme to fit in with his total income expectations, whereas a Government first compiles its expenditure programme and then proceeds to raise as much revenue as will enable that programme to be fulfilled. Even the most powerful Governments in the world, however, are not quite in the happy position of being able to impose and collect any amount of tax that they wish and therefore, in formulating their expenditure proposals, even they have to be mindful of their revenue possibilities. This is more the case with the Governments of under-developed countries where, to the generality of the citizens, taxation seems not only an evil but an unnecessary evil, and where wealth per head of the population is exceedingly low. A constituent State in a Federation is in a still more difficult position, because of the limitations imposed by the Constitution upon its sources of revenue. The Western Region Government has therefore had to limit its expenditure programme very strictly in accordance with its expectations of revenue over the planning period. As already stated, it has refrained from committing itself to a capital programme which would result in a level of recurrent expenditure that its recurrent revenues will be unable to bear.

17. A further limiting factor to effective planning has been the lack of statistical information. Such statistics as there are have been collected by the Federal Department of Statistics with the intention of providing information applying to the whole economy of Nigeria and are therefore in many cases of limited value for Regional purposes. This shortage of statistical information has added to the difficulty of determining the effect of the Government's development programme on the private sector of the economy, and though it is possible to see from individual departmental programmes where the activities of Government will impinge on the private sector, no attempt has been made to assess the net effects.

18. In addition, there are the practical limitations to effective planning imposed by the difficulty of assessing future revenues when they are so substantially tied to the prices of export crops.

19. But both the revenue and expenditure estimates under the new Plan have been framed upon the important assumption that, during the period covered by the Plan, the revenues accruing to the Regional Government from statutory grants will remain of at least the same order as the Region is at present entitled to under the 1954 Constitution, that its direct revenue sources will remain unimpaired, and that the expenditure fields over which it possesses jurisdiction will remain what they are at present. Any significant changes in these two factors will require a modification of the economic programme.

Development Budgeting

20. The need for effective control of the level of recurrent expenditure, especially during a period of considerable capital expenditure, has moved Government to reconsider the form of presentation to the Legislature and the general public of its annual estimates of revenue and expenditure. As is well known, the authority for the expenditure of public funds vests in the Legislature and is exercised by the enacting of an Annual Appropriation Ordinance which sets out, under a number of specified Heads, the total sums which may be spent on the services detailed therein.

In support of the Ordinance is the "Annual Estimates" which shows in considerable detail the precise manner in which it is proposed to spend the amounts scheduled under each Head in the Ordinance. In addition, the Estimates show details of expenditure proposals to be met from sources other than the Revenue of the particular year covered by the Estimates, e.g., expenditure made by Government Departments but recoverable from a Board or Corporation, expenditure chargeable against established Funds, like the Scholarships Fund and the Renewals Funds. A further type of expenditure, the spending of money loaned to the Government and eventually repayable, is also detailed in one or more appendices to the Annual Estimates. Only expenditure to be made from current revenue is included in the Appropriation Ordinance, and to achieve a balanced budget enough revenue must be raised to cover this expenditure.

21. The present format of the Annual Estimates has the advantage of being a comparatively simple statement of expected revenue and proposed expenditure, yet sufficiently detailed to be fully informative and to permit of constructive criticism by the legislators. But it has one defect. So far as the main body of the Estimates is concerned, that is that part in which appears what is called "above the line expenditure" (by which is meant expenditure chargeable to current revenues), the present format makes it difficult to distinguish capital expenditure from expenditure of a recurrent nature. In the same way, the present form of the Revenue Estimates makes no distinction between, on the one hand, recurrent revenue and, on the other, capital receipts and windfalls.

22. In the opinion of the Western Region Government, such a distinction is most important for the purpose of development planning. As Dr. H. F. Singer, United Kingdom Economist, said, discussing the budgetary implications of a development plan, in one of his lectures at the Asian Centre on Agricultural and Allied Projects in 1950 :

"In any good presentation of a development programme the Government ought to distinguish between the revenue budget and the capital budget.....the value of the distinction is for the purposes of information, for purposes of study, for purposes of estimation of future resources".

Sir Louis Chick, Fiscal Commissioner, who advised on the financial adjustments necessitated by the Constitutional changes of 1954, also made remarks to the same effect.

23. Distinguishing between the revenue budget and the capital budget is also necessary for purposes of expenditure control. At present the balance between recurrent revenue and recurrent expenditure can only be extracted from the Annual Estimates or the Annual Accounts after considerable research and it is impossible, without similar research covering not only the documents mentioned but also the Appendices to the Estimates or the corresponding published accounts, to get a clear picture of what capital or development expenditure is going on.

24. Accordingly, the Government proposes, starting with the financial year 1956-57, to divide its annual estimates of revenue and expenditure into two parts, the first of which will be styled Recurrent Budget Estimates, and the second Capital Budget Estimates. A Fund will also be created for financing capital expenditure generally and, in particular, the capital side of the new Development Plan. This Fund will be called the Capital Expenditure and Development Fund (or Development Fund, for short).

25. The revenue side of the Recurrent Budget Estimates will contain all the revenues estimated to be receivable during the year, with the exception of those (if any) which are clearly of a non-recurrent or fortuitous nature. The expenditure side will contain all the normal recurrent expenditure of Government, expenditure for which money must be found if there is not to be a reduction in the services that Government provides. It will also include two special expenditure items :—

- (i) contribution to the Revenue Equalisation Fund, and
- (ii) contribution to the Capital Expenditure and Development Fund.

The amounts contributed to these Funds from revenue each year will, of course, depend on the financial out-turn of the particular year.

26. The Revenue Equalisation Fund is a Fund which has been created to serve the very useful purpose of a reserve for the augmentation of revenue in lean years. The building up of such a reserve is desirable at any time. It is most essential during a period of fairly good produce prices, when the prospects are that money will get increasingly scarcer and when capital expenditure is proceeding at a fast pace involving a burden of residual recurrent expenditure of a large order. The Government aims at building up this fund, which stood at £1.8 million on 31st March, 1955, to a figure equal to six months' current revenue, although it may not be possible to do very much in this direction during the present quinquennium.

27. The items on the receipts side of the Capital Expenditure Budget will include the following :

- (i) opening balance on 1st April, 1956— all the capital funds in possession of the Government on the 31st of March, 1956 ;
- (ii) the product of loans raised by Government ;
- (iii) any Colonial Development and Welfare grants received by Government ;
- (iv) grants from the Western Region Marketing Board or from any other source ;
- (v) the capital portion of repayments to Government of loans made by it to local government councils, etc. ;
- (vi) any non-recurrent or fortuitous revenue accruing to Government ;
- (vii) the contribution from annual revenue surpluses referred to in the preceding paragraph.

28. On the expenditure side, the Capital Budget Estimates will include all the capital works expenditure of Government and all other non-recurrent expenditure. Practically the whole of the Public Works Extraordinary Head of the Estimates, all the projects appearing in Appendix WO (Capital Works Account) and Appendix WR (Road Development Account) to the 1955-56 Estimates, a great deal (but not all) of what is at present shown under Special Expenditure in Departmental Estimates, and loans by Government to local government councils, etc., will go into the Capital Budget Estimates.

29. Since in many cases the execution of capital projects is spread over several years, the capital budget expenditure estimates will show, not only the amount required for each project in the year for which provision is being sought, but also the amount required to complete it. Also included will be a statement showing the sources from which the necessary funds will be raised to carry out the whole development programme.

30. The present Appropriation procedure will apply only to expenditure in the Revenue Budget. Expenditure in the Capital Budget will be the subject of a special procedure under which the Legislature will be invited to pass a resolution authorising expenditure from the Capital Expenditure and Development Fund of the amounts shown in the Capital Budget Expenditure Estimates for the year, a procedure similar to that adopted for expenditure under Renewals Funds. This will ensure to the Legislature the fullest opportunity of debating the annual capital budget and the development programme of which it forms a part.

31. The presentation of the Estimates in the form proposed in the preceding paragraphs will enable members of the Legislature and other interested parties, both at home and overseas, to obtain a more realistic view of the Region's finances and of the lines along which development is taking place, instead of the information available being limited as at present to the estimated receipts and payments of one year only. These proposals will also have the effect of showing in

separate accounts the normal recurrent expenditure set off against normal recurrent revenue, the difference between the two being carried partly to the Revenue Equalisation Fund, and partly to the Capital Expenditure and Development Fund for use for capital purposes. This is a factor of material value when trying to make the most economical use of the limited resources available to Government, and will help to guard against establishing a rate of recurrent expenditure which cannot be borne by the Region.

Development Institutions

32. The Western Region Government employs two important agencies for the promotion of development within the Region. Prior to 1st October, 1954, they were called respectively the Western Regional Production Development Board and the Western Regional Development Board. The first was concerned with agricultural production and other forms of direct investment activity, the second with the making of loans to private enterprise and public bodies. The International Bank Mission recommended that the two agencies should be merged, reconstituted and renamed the Western Region Development Corporation. The Western Region Government has been unable to accept this recommendation. In its view, the functions performed by the two bodies are sufficiently dissimilar to warrant their separate existence. Arrangements have, however, been made to enable the Loans Board to share as far as practicable the expert services at the disposal of the Production Board. The Western Regional Development Board has been reconstituted (under Western Regional Law No. 9 of 1955) as the Western Region Finance Corporation, and the Western Regional Production Development Board superseded (under Western Regional Law No. 12 of 1955) by a Board with a slightly different title—the Western Region Production Development Board. The new Board retains virtually unchanged the main functions of the old but has been made subject to general policy direction by the Government and conforms in other ways to the new Constitutional position.

33. The International Bank Mission's recommendation that responsibility for the general administration of these development agencies should be removed from Development Secretaries and vested in "working" Chairmen has been accepted and implemented. So also have their recommendations that the Production Board should not engage in activities customarily undertaken by Government and that the Finance Corporation should not make loans to public bodies but concentrate its effort on the provision of credit for private business. A separate allocation has been made in the Development Programme for loans to Local Government Councils: the administration of these loans will be carried out by the Ministry of Local Government in association with the Ministry of Finance, the Accountant-General, and the Ministry competent to give advice on the technical merits of the schemes put forward for loan finance.

Western Region Marketing Board

34. The Government has accepted and adopted practically all the recommendations of the International Bank Mission regarding the future scope of activities of the Marketing Boards and, subject to one exception, the purposes to which their funds should be applied. That exception is concerned with the following recommendation of the Bank Mission:

"We recommend, however, that henceforth the Marketing Board's functions are limited to settling quality standards, fixing producer prices, and purchasing and marketing crops. The financing of economic development and agricultural research is a responsibility of the Government and the Boards should not attempt to undertake it. Nor should the level of..... expenditure for these purposes be left to the discretion of the Boards or be dependent on the result of their operations".

35. In the opinion of the Western Region Government, the above recommendation goes too far. The primary responsibility for financing economic development and agricultural research is squarely that of the Government, but that is not to say that nobody else may contribute to it. The level of expenditure for these purposes should not be left to the *sole* discretion of Marketing

Boards or be dependent *entirely* on the result of their operations, but there is no reason why, if they consider it to be in their interest, that is in the interest of the producers to do so, these Boards should not be able to do what they consider reasonable to help raise that level. The Marketing Boards do for producers in Nigeria what a voluntary Association of producers would do for its members in other countries. The functions of such an Association would legitimately include a contribution to development and research in the economic field in which it has a special interest. A case in point is the contribution which Nigeria, along with other interested countries, makes to the funds of the Tin International Research and Development Council. The contribution by Nigeria is found, partly by the Government, and partly by the tin producers of Nigeria. To be denied the discretion to make specific contribution to development and research in respect of the products marketed by them could be detrimental to the interest of the producers whom the Marketing Boards represent, because it would mean that the amount of development that takes place in those fields will be entirely dependent upon the views of Government as to how much can be made available, having regard to the other calls on Government's total resources. It would be wrong, in the opinion of the Western Region Government, to make it incompetent for an Association of producers, or a Board which functions in lieu of such an Association, to make a specific contribution to development and research in the particular field in which it is interested.

36. Accordingly, the Western Region Marketing Board will be left free in appropriate cases to contribute to development and research in respect of the products marketed by it. It is not, however, proposed that the Board should continue the policy of the former commodity Marketing Boards, under which 22½ per cent of their surplus in any trading year was allocated to development and transferred by way of grant to the Regional Production Development Boards, and 7½ per cent allocated to research. This was open to the objections raised by the International Bank Mission, objections particularly valid in the coming years, when no substantial surpluses are likely to accrue. In addition, now that the Marketing Boards have been regionalised and the Western Region Production Development Board brought more within the ambit of Government policy, this procedure is no longer felt to be appropriate. Provision by Government itself of the further funds needed by the Production Board has therefore been allowed for in the present Plan. At the same time, the Western Region Marketing Board has agreed to contribute annually £750,000 (which represents the level of its contribution in the current financial year) towards the cost of cocoa research and extension work undertaken by the Department of Agriculture during the remaining four years of the period covered by the Plan. These grants have been included in the revenue estimates given in Part II, and represent a significant contribution by the Board to the development of the main crop for which it is responsible.

Encouragement of Private Enterprise

37. As will be found in Part IV of this Paper, provision has been made in the Development Plan for the continuance of the good work being done by the Western Region Finance Corporation for business men. At present the Corporation can only make loans; it cannot lawfully engage in share participation in private enterprise. From enquiries which have been received in the last few months, the Government is convinced that this limitation on the Corporation's power unduly restricts its serviceability. It is therefore proposed to introduce, at the earliest convenient opportunity, amending legislation to authorise the Corporation to take up, buy, or underwrite shares in a company operating in the Western Region, provided that it does so in association with other investors.

38. The International Bank Mission in their report commented on the commendable contribution which the reputable indigenous banks are making to the economic development of Nigeria. It is the policy of the Western Region Government to give these indigenous banks every help that it can. A statement on what has been done and is further proposed in this matter will be made in due course.

39. A topic of considerable interest to both the citizens of this country and our friends abroad is the attitude of the Western Region Government to external participation in the development of the Region. In an address which he delivered on the 2nd of February, 1955 to the Lagos Chamber of Commerce, the Premier of this Region indicated the general attitude on this issue of his Government and his Party, but since then, statements have been made in certain circles in the United Kingdom and articles published in certain sections of the British Press which show that there is still a misunderstanding of that attitude. A re-statement of Government policy on the question is therefore contemplated and will be issued shortly. Reference to the section in Part IV of this Paper dealing with the expenditure programmes of the Western Region Production Development Board and of the Western Region Finance Corporation will show that Government is in fact expecting to have the advantage of external participation both in the field of agricultural production and in that of industrial expansion.

PART II.—FINANCIAL RESOURCES

Summary of Resources

40. *Capital Funds*.—The capital resources likely to be available to Government during the period 1955-60, are estimated as follows :—

	<i>£, million</i>
(a) General Revenue Balance (less working capital)	3.50
(b) Revenue Equalisation Fund (balance at 31-3-55)	1.80
(c) Marketing Board Loans and Grants £20 million less amount spent in 1954-55 £1.2 million	18.80
(d) Loan from Federal Government, 1954	1.00
(e) Loans from other sources... ..	5.06
(f) Colonial Development and Welfare Funds (balance of 1951-56 allocation)	.20
(g) Colonial Development and Welfare Funds (1955-60 allocation)	.50
Total	<u>£30.86</u>

The only items which call for comment are items (e) and (g). Where are the loans under item (e) expected from? The answer is that as much of it as possible will be raised by local subscription. It is hoped to borrow the remainder from the West African Currency Board or, failing that, from abroad.

41. With regard to item (g)—in the preceding paragraph—the Western Region Government had hoped for a larger allocation than the £.5 million made to it under the new Colonial Development and Welfare Act, but nevertheless wishes to place on record its appreciation of this contribution by Her Majesty's Government in the United Kingdom to the development of the Region.

42. *Revenue*.—The total revenue accruing to the Region during 1955-60 has been estimated at £74 million. The assumptions upon which the estimate is based are set out and explained in paragraphs 19 and 45 to 50.

43. *Summary*.—The total resources from all sources during the planning period may therefore be summarised as :—

	<i>£, million</i>
General Revenue Balance	3.50
Revenue Equalisation Fund	1.80
Marketing Board Loans and Grants	18.80
Colonial Development and Welfare Grants	.70
Other loans	6.06
Current Revenue	74.00
Total	<u>£104.86</u>

Revenue Prospects, 1955-60 (*£, million*)

1955-56	1956-57	1957-58	1958-59	1959-60	Total
13.00	13.50	14.50	15.50	17.50	74.00

44. The 1955-56 revenue estimates show a total revenue of £12,995,080 of which the sum of £1,204,840, development grants, is not recurrent, so that the recurrent revenue for 1955-56 amounts to £11,790,240, say £11.79 million. Of this sum, approximately £9.56 million is revenue

which accrues to the Region by allocation from the Federal Government in accordance with the provisions of the Nigeria (Constitution) Order-in-Council, 1954 ; the balance of £2.23 million is attributable to the internal revenues collected by the Region itself.

45. As has been said in an earlier paragraph of this Paper, the new Development Plan assumes the continuance of the existing revenue allocation system and therefore that over the period of the Plan, the Western Region can hope to continue to receive an annual recurrent revenue of at least £9.56 million from statutory grants. It is also not unreasonable to expect, with the years, some increase in this figure, even if the rates of import, excise and export duties, upon which the amount available to the Federal Government for allocation largely depend, are not substantially increased during the period. Without any alterations in the level of import and excise duties, the revenue from these sources may be expected to show a small but steady increase over the period of the Plan as a result of—

(a) the development programmes of the Regions and the Federation which will be financed largely out of accumulated capital resources and loan funds, and

(b) the price stabilisation activities of the Marketing Boards which will tend to prevent any early substantial fall in incomes from export produce.

It is not possible to view with equal optimism the future of revenues accruing from duties on exports. Almost 86 per cent of the current estimated revenue of £3.2 million from export duties is derived from cocoa. This estimate is based on an annual crop of 100,000 tons sold at a London price of £320 per ton. The price of cocoa has recently fallen as low as £250 per ton and the crop may in a bad year amount to only 80,000 tons. The export duty derived from a crop of 80,000 tons sold at £250 per ton would be £1,222,000 less than the figures shown in the 1955-56 estimates. The revenue derived from other exports, with the exception of rubber, is also showing signs of a decline, although the amounts involved are not yet significant. In all the circumstances, it has been thought prudent in the framing of the revenue projections for 1955-60 to assume no natural increase in revenue from statutory grants.

46. But it has been considered not unreasonable to assume that the Federal Government will accept the recommendation made by the International Bank Mission on page 67 of its Report, that import duties on certain classes of goods should be raised so that revenue from that source might rise by 50 per cent, in order to help the Regional Governments finance their development plans.

47. With regard to the internal revenues of the Region, there is little immediate prospect of increasing these in a large way. The taxation powers of the Regional Government in respect of African residents within its territory, exercised under the Direct Taxation Ordinance, are made very ineffective by the fact that the assessment and the collection of the taxes are in the hands of a multitude of local government bodies with widely differing capacities for discharging those functions. The Government has had the advantage of advice from two sources in recent months on this subject—Professor W. Arthur Lewis and a Local Government Revenue Committee set up by the Government itself. Both have expressed the opinion that income taxation will never make its proper contribution to the economic and social development of the Western Region unless and until the assessment and the collection of the tax have been reorganised and entrusted to a department of Government.

48. The Regional Government therefore intends to set up as early as possible a more efficient machinery for tax assessment and collection. It has no doubt that as soon as such a machinery can be created, the revenue of the Region from direct taxation can be increased by effectively preventing tax evasions, and by means of more accurate assessments, especially of the richer classes. In the absence of reliable statistical information, it is not possible accurately to forecast the effects

on the revenue of this step. On such evidence as is available, it is clear that, with an effective machinery such as is proposed, the annual collection can be considerably increased. This possibility has been reflected in the revenue projections in the Plan.

49. It is recognised, of course, that the reorganisation of tax assessment and collection will not be easy. Expert advice is necessary and is being sought. Staff on the ground will require to be trained and this cannot be done quickly. Nevertheless, every effort will be made to implement the Government's decision as early as possible.

50. The Ministry of Finance has under examination other revenue possibilities. For obvious reasons, it would not be prudent to say more about this at this stage.

PART III.—SUMMARY OF THE EXPENDITURE PROGRAMME, 1955-60

Table II—Expenditure Projections, 1955-60 (£,000)

Description of Expenditure	1955-56		1956-57		1957-58		1958-59		1959-60		R = Recurrent		C = Capital		Total
	R	C	R	C	R	C	R	C	R	C	R	C	R	C	
1. Agriculture (a) ...	1,999	122	1,338	238	1,435	194	1,941	172	1,955	93	7,868	819	819	819	8,687
2. Forestry ...	187	3	194	13	213	12	233	12	251	11	1,078	51	51	51	1,129
3. Veterinary ...	66	15	75	15	80	7	90	8	93	7	404	52	52	52	456
4. Department of Industries (b) ...	76	11	88	12	90	5	92	2	94	2	440	32	32	32	472
5. Department of Trade ...	—	—	4	—	6	—	8	—	10	—	28	—	—	—	28
6. Co-operative ...	87	2	136	72	139	2	142	2	144	2	648	80	80	80	728
7. Social Welfare ...	45	124	47	1	49	1	51	1	52	1	244	128	128	128	372
8. Community Development ...	47	—	20	75	30	100	40	150	50	200	187	525	525	525	712
9. Public Health ...	1,151	1,190	1,562	901	1,671	26	1,685	26	1,699	26	7,768	2,169	2,169	2,169	9,937
10. Education ...	4,068	1,856	4,988	1,913	5,375	2,186	5,831	1,335	6,180	331	26,442	7,621	7,621	7,621	34,063
11. Cultural Research ...	—	—	—	10	—	9	—	9	—	12	—	40	40	40	40
12. Public Works Department ...	416	5	444	5	460	5	476	5	492	5	2,288	25	25	25	2,313
13. Maintenance Works ...	778	124	836	40	880	40	912	40	997	40	4,403	284	284	284	4,687
14. Maintenance Services ...	27	—	30	—	33	—	35	—	37	—	162	—	—	—	162
15. Electricity ...	—	—	—	250	—	250	—	250	—	250	—	1,000	1,000	1,000	1,000
16. Urban Water Supplies ...	—	1,030	—	520	—	640	—	1,180	—	1,190	—	4,560	4,560	4,560	4,560
17. Rural Water Supplies ...	—	50	—	60	—	110	—	135	—	145	—	500	500	500	500
18. Road Development ...	—	500	—	1,000	—	1,000	—	1,000	—	500	—	4,000	4,000	4,000	4,000
19. Survey ...	137	9	184	16	205	24	215	14	225	8	966	71	71	71	1,037
20. Land and Town Planning ...	51	54	78	11	78	11	79	11	80	11	366	98	98	98	464
21. Printing ...	107	9	122	8	139	8	158	8	179	8	705	41	41	41	746
22. Information Services ...	114	74	130	52	132	12	134	12	135	12	645	162	162	162	807
23. Statistics ...	—	—	10	15	20	—	25	—	30	—	85	15	15	15	100
24. Exercise Book Factory ...	—	190	—	—	—	—	—	—	—	—	—	190	190	190	190
25. Production Board (c) ...	—	500	—	1,000	—	1,000	—	1,000	—	1,000	—	4,500	4,500	4,500	4,500
26. Finance Corporation (c) ...	—	—	—	813	—	813	—	312	—	312	—	2,250	2,250	2,250	2,250
27. Local Government (Special Grants) ...	846	—	282	—	141	—	—	—	—	—	1,269	—	—	—	1,269
28. Loans to Local Government Councils ...	—	—	—	187	—	187	—	188	—	188	—	—	—	—	750
29. Public Debt (Net Servicing Charges) ...	54	—	184	—	314	—	439	—	564	—	1,555	—	—	—	1,555
30. General Administration Expenditure ...	2,445	1,831	2,584	1,026	2,598	432	2,613	540	2,635	540	12,875	4,369	4,369	4,369	17,244
Total ...	£ 11,901	7,699	13,336	8,253	14,088	7,074	15,199	6,412	15,902	4,894	70,426	34,332	34,332	34,332	104,758

Notes : (a) *Vide* paragraph 59 for total expenditure on Agriculture

(b) *Vide* paragraph 58 for total expenditure on Industrial expansion

(c) The figures shown in the table against the Production Board and the Finance Corporation represent the amounts Government proposes to contribute to the capital of these institutions. The sums which will actually be disbursed during the period are indicated in paragraphs 58 and 59.

Summary of Expenditure Proposals

51. As indicated in Part I of this Paper, the different fields of Government activity have not been given the same weight in the new Plan. Emphasis has been placed on the economic services, particularly Agriculture, Co-operatives, Technical Education and the development of Industries. On the Agricultural side, one of the principal objectives is to effect substantial improvements in the quality and quantity of cocoa cultivation in the Region, thus continuing the far-sighted policy initiated by the Government in 1952 and ensuring that the Region's cocoa is placed in a position to withstand any keen competition that it may have to confront in the foreseeable future.

52. Government is, however, not unmindful of the danger of the Region's heavy dependence upon one crop in the export field. The expenditure programme of the Agricultural Department and the agricultural activities of the Western Region Production Development Board are aimed at increasing diversification of the Region's agriculture.

53. Ample provision is also made for research into the cultivation, nutrition, marketing and storage problems of food-crops. Extension work will be expanded and intensified so that the results of research can be passed over without delay to the farmers.

54. On the Industrial side, the Plan aims at laying the foundations of Industrial Development, creating the most favourable climate for the growth of private enterprise, continuing the Government policy of encouraging the creation of local industries, providing capital finance for business men, and strengthening the Ministry of Development so that it can provide the technical and other advisory services that local enterprises so badly need. It is hoped that partnership between the Western Region Production Board and external capital will assist in providing enterprises in which Western Nigerians will be able to gain managerial experience, facilities for which are sadly lacking at present.

55. One of the most important factors retarding industrial expansion in the Region is the lack of electricity and water supplies. The Government's proposals for the expansion of water supplies and electric power will be found in Part IV of this Paper.

56. Details of projected expenditure are shown in Table II above. In that Table, separate projections of recurrent and capital expenditure are given for sectors of development relating to both economic services and social services. Expenditure is also projected for ancillary services such as Survey, Land and Town Planning, Printing and Information Services, some expansion of which is inevitable as the economic and social services develop. There are also separate projections showing allocations to the Production Board and the Finance Corporation, the assistance to be given to Local Government Councils, and the (net) loan servicing charges that will fall to be met. Finally, there is a projection for "General Administration" Expenditure which covers all expenditure not accounted for elsewhere and relates to such items as the Legislature, the Executive, Ministries, Administration, Produce Inspection, Miscellaneous, Subventions, etc. Thus Table II covers all projected expenditure by Government in the five-year period 1955-60.

57. The programme provides in round figures for a total expenditure of £104.758 million, of which £70.426 million is recurrent expenditure and £34.332 million capital expenditure, compared with total resources estimated at £104.86 million, made up of £74.00 million recurrent revenue and £30.86 million capital resources (*i.e.*, accumulated reserves and loan funds). There is therefore an unallocated provision of £1.02 million, after allowance has been made for a working capital of £1.8 million.

Expenditure on Industrial Expansion

58. Proposed expenditure on industrial expansion appears in Table II under four heads. The whole of the allocation under "Department of Industries" is of course attributable to the promotion of industrial enterprise. The expenditure projected under "Exercise Book Factory" is

direct investment by Government in an industrial project. The Production Board plans to spend £5 million (part of this amount being found from its present resources) during 1955-60 on industrial projects. Finally, £.85 million of the allocation to the Western Region Finance Corporation is for lending to small industrialists. The total Government expenditure in the industrial field may, therefore, be summarised as follows :—

	£,million
Department of Industries	.47
Exercise Book Factory... ..	.19
Production Board	5.00
Finance Corporation	.85
Total	£6.51

In addition to the above, it is proposed to spend a sum of £.28 million on the Trade Division of the Ministry of Development.

Expenditure on Agriculture

59. Similarly, Government expenditure on Agriculture can be found under three separate heads in Table II, and may be summarised as follows :—

	£, million
Department of Agriculture	8.69
Production Board	6.13
Finance Corporation	1.43
Total	£ 16.25

Here again, it is necessary to explain that the bulk of the amount that the Production Board will be disbursing in 1955-60 will be found from its accumulated funds. The same applies, but to a much lesser extent, to the Finance Corporation.

Schemes to be Financed from the Colonial Development and Welfare Fund Allocation

60. The total allocation for the Western Region, inclusive of the balance brought forward from grants under the previous Colonial Development and Welfare Act, amounts to £.7 million. To obtain this money it will be necessary to prepare schemes acceptable to the Colonial Office and the United Kingdom Treasury and, to be acceptable, a scheme must provide for part of the expenditure on its implementation to be borne from local funds. The projects to be assisted must be projects of a capital nature and the residual recurrent charges will be the responsibility of the assisted Government. The Western Region Government will prepare and submit to the Secretary of State in due course projects fulfilling all these conditions. The projects will be selected from those set out in this Paper but it is not possible at this stage to give particulars of them.

Graphic Illustration

61. Attention is invited to the graphs at pages 5 and 7 showing total Estimated Expenditure 1955-60 on the different sectors of activity, and Recurrent Expenditure of Government Departments 1955-60 compared with 1955-56 and 1951-52.

PART IV.—DETAILS OF EXPENDITURE PROGRAMME, 1955-60

Agriculture

Table III (£,000)

Expenditure	1955-56	1956-57	1957-58	1958-59	1959-60	Total
Recurrent ...	1,199	1,338	1,435	1,941	1,955	7,868
Capital ...	122	238	194	172	93	819
Total ...	£ 1,321	1,576	1,629	2,113	2,048	8,687

62. *General Objectives.*—The essential part which agricultural development must play in plans for the economic improvement of the Region is fully realised, and very substantial provision has been made for Agriculture in the Plan. It will be the policy of the Ministry of Agriculture and Natural Resources to intensify research and extension work, and to provide the farmers with the necessary knowledge which is a prerequisite of an increase in food production and in the production of export crops and, as a long term result, the release of labour to meet the needs of industry as it develops. The activities of the department will in consequence be concentrated on measures from which an early return may be expected in the form of increased productivity, but the long term needs of agriculture will not be neglected and provision to meet them forms an integral part of the programme.

63. *Staff.*—The agricultural programme will require for its fulfilment a considerable increase in staff, particularly trained field staff. It is intended to meet this need by the establishment of an additional Agricultural Training School, to be followed by one further School as soon as the availability of candidates justifies that course. By this means, it is hoped to increase very materially the number of field staff by 1960. Provision has been made for the increase in senior staff which will be required to ensure the success of the programme, and energetic and realistic measures will be taken to secure their recruitment.

64. *Research.*—The International Bank Mission recommended that basic agricultural research should be the responsibility of the Federal Government. This recommendation has been accepted by all Governments in the Federation. The Region's research policy has been framed in consonance with it ; in order to avoid duplication of effort, and to make the best possible use of staff and funds, fundamental research will as far as practicable be left to the Federal Government. The Region will concentrate on the localised application and testing of results obtained, and on applied research into all aspects of food crop production. If, however, it is found that the Federation cannot carry out any particular fundamental research considered to be of urgent importance to the Region's plans, arrangements will be made to fill the gap.

65. Basic research on the two main export crops, cocoa and oil palm, is catered for by the West African Cocoa Research Institute and the West African Institute for Oil Palm Research.

66. Provision has accordingly been made for a considerable expansion of short-term investigational work in the field of food production, which will include such measures as :—

(a) testing, selection and distribution of higher yielding and disease-resistant strains of maize, rice, cowpeas and yams (work on yams is known to have been included in the programme of work for the Federal Research Organisation) ;

(b) investigations in respect of other food crops ;

(c) fertiliser investigations and demonstrations ;

(d) investigation into better and quicker methods of cultivation, and any other means of increasing production in terms of yield per acre and yield per man ;

(e) investigation into the problems of marketing of food crops ;

(f) investigation into better extension methods of putting new knowledge across to farmers.

With regard to (e), since improvements in marketing depend a great deal on improvement in storage, close liaison will be maintained with the West African Stored Products Research Unit, in order to ensure that its programme of activities give full weight to the needs of this Region and that the results of its activities are given the fullest application by the Department of Agriculture.

67. There will be an expansion of effort in the following directions :—

(g) investigation into the problems of cattle breeding and management in Western Region conditions ;

(h) investigation of pig-and poultry-keeping problems ;

(i) investigation of methods of permanent cultivation, including mechanisation.

68. While the main responsibility for cocoa research will remain with the West African Cocoa Research Institute, increased Regional provision is being made for investigational work on the practical problems of cocoa cultivation, such as planting, replanting, regeneration, and general farm management. As staff become available, more attention will be paid to the problem of increasing the production of other export crops such as cotton, tobacco, citrus, pine-apples, oil palms, rubber and coffee.

69. *Extension Work.*—Increased productivity can more quickly be achieved if the results of research and investigation are passed on to the farmer without delay. Extension work will therefore be considerably expanded, and will include :—

(a) production and distribution of improved maize varieties ;

(b) cotton seed multiplication and distribution ;

(c) provision of fertiliser for sale to farmers as soon as experimental results justify it ;

(d) rice demonstrations and seed distribution ;

(e) expansion of production of citrus and other general planting material ;

(f) encouragement of livestock production ;

(g) oil palm improvement campaigns.

The experience of other countries will be examined, with a view to discovering the latest techniques for putting across new ideas and methods to the farmer.

70. An increase in the production of cocoa is of vital importance to the Region. It is essential, not only that senile trees be replaced by new planting, but also that a substantial overall increase in planting should take place. There is also an urgent need to obtain the maximum production from existing trees which can only be achieved by combatting diseases and improving the general standard of cocoa farm management.

71. To encourage new planting, the maximum possible quantities of seedlings will be produced for general distribution at a subsidised price, which should provide a further incentive to the farmer. Effort will be concentrated on the early yielding and heavier bearing Amazon variety. It is hoped to reach a production target of 4,000,000 by 1958, and sufficient quantities thereafter to meet all needs. In order to satisfy all interim demands, the production of local varieties will meanwhile be maintained at 1,200,000 per year. An inquiry will be undertaken to determine why farmers here appear to show less keenness in planting and replanting than is the case in the Gold Coast where the monetary return to the producer is indeed less than in this Region.

72. Investigation into the control of diseases will receive a high priority. Assistance to farmers for spraying against black pod will continue ; training facilities for farmers will be made available, and the Co-operative Supply Association will continue to import and distribute large quantities of pumps and chemicals. Supplies are also now becoming available through normal commercial channels. Efforts to find a means of controlling capsid damage will also be intensified.

73. Three large scale cocoa demonstration and experimental farms have been planned. Work on the first centre is scheduled to start early in 1956. These centres will concentrate on improved techniques and the application of research information.

74. *Mechanisation.*—Results so far obtained have tended to show that mechanisation is not economic under present conditions. Investigations with a view to discovering the best type of machinery (large or small) that would operate economically in the Region will continue on Government farms under controlled conditions. These investigations will be in two phases, which may be described respectively as—

- (i) Experimental, and
- (ii) Controlled commercial testing.

Forestry

Table IV (£,000)

<i>Expenditure</i>	<i>...</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Recurrent	...	187	194	213	233	251	1,078
Capital	...	3	13	12	12	11	51
Total	...	£ 190	207	225	245	262	1,129

75. The principal objectives of Western Region Forest Policy are that—

(a) an adequate portion of the lands shall be dedicated to permanent forest for all time, and maintained legally secure and free from encroachment, in order to preserve the climatic and physical condition of the Region and to assure the supply in perpetuity of all forms of forest produce to satisfy the wants of the people ;

(b) lands not forming part of this Forest Estate shall be considered as potentially agricultural lands and the natural forest on them shall be exploited without replacement ;

(c) the management of the Forest Estate shall be directed by the Forest Department and shall always be by methods aimed at obtaining the maximum sustained annual yield. The Forest Estate shall be managed for the long term benefit of the owners and of the Region ;

(d) everything possible shall be done to foster the establishment of forest industries to provide permanent employment and good livelihood for the communities concerned. It is a first consideration that forest produce shall be made available locally at the lowest possible cost compatible with good management of the forests ;

(e) where the need exists land shall be afforested with plantations of quick-growing species to provide fuel and poles for local populations.

76. To achieve these objectives it will be necessary to raise the proportion of land under Forest Reserves from the present level of 16.19 per cent to 25 per cent of the total area of the Region, and by improved management and control to increase the productivity of the Forest Estate to at least fifteen times the present yield. The latter is a long term policy which will take over 100 years, a full rotation of management, to convert the 4,000 square miles of high forest reserves to fully stocked forest capable of producing a maximum sustained yield.

77. Provision has been made in the Plan to permit of—

- (a) the regeneration of reserves already under exploitation ;
- (b) additional expenditure on regeneration which will become necessary as further reserves come under exploitation ;

(c) the need for additional work on the creation of fuel plantations and village reserves. Experiments are now in progress which envisage the cultivation of tree crops, such as cocoa and rubber, in conjunction with timber and fuel trees in village reserves. The proposed plantations and reserves should increase the wealth of the Region and also the revenue of local government authorities.

Veterinary

Table V (£,000)

<i>Expenditure</i>	...	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Recurrent	...	66	75	80	90	93	404
Capital	...	15	15	7	8	7	52
Total	...	£ 81	90	87	98	100	456

78. The main responsibility for encouraging the development of livestock rests with the Department of Agriculture, but a strong Veterinary Department is essential for the control and prevention of disease. Veterinary services will therefore be expanded to provide :—

- (i) the posting of at least one Veterinary Officer to each Province ;
- (ii) the comprehensive investigation of poultry diseases ;
- (iii) the establishment of a Regional diagnostic unit ;
- (iv) the establishment of additional veterinary centres.

Department of Industries

Table VI (£,000)

<i>Expenditure</i>	...	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Recurrent	...	76	88	90	92	94	440
Capital	...	11	12	5	2	2	32
Total	...	£ 87	100	95	94	96	472

79. *General Objectives.*—Although Government considers that Agriculture is and will for a long time remain the most important economic activity in the Western Region, it is equally appreciative of the fact that an increasingly large measure of industrialisation is necessary in the Region to produce a balanced economy. It wishes to see industries and other services grow up at such a pace as to absorb the surplus labour resulting from improved agricultural methods. A successful agricultural policy, it has been said, requires that increased productivity in food production and increased opportunities outside food production should keep in step with each other.

80. As explained in Part III, the expenditure projected here for the maintenance of the Department of Industries is only about a fourteenth part of the total amount that Government and Government agencies hope to spend during the planning period on industrialisation. The remainder of the industrialisation programme will be found in the sections of this Part dealing with the activities of the Western Region Production Development Board, the Western Region Finance Corporation and the Exercise Book Factory.

81. Because in this Region, as in other underdeveloped parts of the world, industrial expansion is greatly handicapped by the inadequacy of local industrial knowledge and experience, provision has been made for a substantial increase in the staff of the Department of Industries to enable it to provide the necessary technical advice to local industrial enterprise and also provide advisory services for the Western Region Finance Corporation.

82. *Local Industries.*—A lot has already been done to promote the establishment of local industries in this Region. This good work will continue on an increasing scale. In particular, the encouragement of further development of textiles, potteries, and the manufacture of bricks and tiles will be pursued.

83. *Fisheries.*—Great importance is attached to the development of the fishing industry, and the main objective will be to increase yields of fish by stepping up the establishment of fish ponds, the exploration and exploitation of new fishing grounds, the introduction of new gear for canoe fishing and the development of powered craft for sea-fishing. To this end, earth shifting machinery for the establishment of fish ponds will be introduced, and an experienced Engineer will be recruited to work in conjunction with the Fisheries Officers. It is also intended to put into commission a powered fishing vessel, and to continue investigation into the use of powered vessels on surf beaches.

84. *Boat Building.*—The Epe Boat Yard is now in production and investigations are proceeding into the most suitable method of promoting the sale of the boats produced to local operators. It is planned to step up production, and to encourage the use of these strongly made in-board engined diesel barges in replacement of the existing out-board engined and more fragile craft used on the Region's waterways.

Department of Trade

Table VII (£,000)

<i>Expenditure</i>	...	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Recurrent	...	—	4	6	8	10	28
Capital	...	—	—	—	—	—	—
Total	...	£ —	4	6	8	10	28

85. It is proposed to establish a Trade Division in the Ministry of Development for the purpose of answering trade inquiries from overseas customers, the collation and dissemination of information likely to be required by business men, and the provision of advisory services for the Western Region Finance Corporation. The Division is planned to start on a small scale, and expand gradually as the scope of its activities develops.

Co-operatives

Table VIII (£,000)

<i>Expenditure</i>	...	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Recurrent	...	87	136	139	142	144	648
Capital	...	2	72	2	2	2	80
Total	...	£ 89	208	141	144	146	728

86. It will be the policy of Government to continue to foster the growth of the Co-operative movement in every possible way and provision of £144,000 by 1959-60 has therefore been made for additional departmental staff to supervise the steadily increasing number of societies, and to give training to personnel working for the societies.

87. In order to achieve the objectives set, a Co-operative Training School is essential ; provision of £70,000 has been made for the establishment of a residential Co-operative Training School in Ibadan, work on which is due to start in 1956-57.

88. With the implementation of this policy, it is believed that membership of cocoa co-operatives can be trebled during the next five years, and that the consumer co-operatives which are now being initiated will be greatly increased, and guided to success.

Social Welfare

Table IX (£,000)

<i>Expenditure</i>	...	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Recurrent	...	45	47	49	51	52	244
Capital	...	124	1	1	1	1	128
Total	...	£ 169	48	50	52	53	372

89. A limited expansion is envisaged in the activities of the Social Welfare Department during the period 1955-60. Provision has been made in 1955-56 Estimates for an approved School to be located at Iwo and a Remand Home at Sapele. It will be the policy of the department :—

(a) to apply the statutory and protective measures of the Children and Young Persons Protection Ordinance,

(b) to carry out social work aimed at alleviation of distress and the stabilisation of family life,

(c) to foster the Community Development spirit through the media of a Youth Movement, training in leadership for boys, and the stimulation of self-help in rural areas.

Community Development

Table X (£,000)

<i>Expenditure</i>	...	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Recurrent	...	47	20	30	40	50	187
Capital	...	—	75	100	150	200	525
Total	...	£ 47	95	130	190	250	712

90. The greatest importance is attached by Government to the expansion of Community Development effort. A start has already been made in sowing the seeds of such expansion by the establishment of the Shasha River Camp, where training in Community Development techniques is taking place. The recruiting of Community Development Officers for work in the field is considered to be of paramount importance and it is the intention that fifty such officers should be actively engaged by 1960, commencing with an initial intake of twenty during 1956-57. It will be the duty of these Officers to stimulate Community Development effort in all areas of the Region, and to provide, by themselves or by recourse to the appropriate Departments of Government, the technical advice to enable communities to carry out development projects.

91. Every encouragement will be given to local development by community effort. To this end, a provision of £500,000 has been included in the Plan for grants to communities which show practical readiness to help themselves. A proportion of the cost of the projects they undertake will in appropriate cases be met by Government.

92. Since the main element in the success of the community development movement is administrative organisation, the Government will, before going ahead with its proposals under this head, undertake a thorough examination of the techniques employed in several countries (including India), with a view to selecting from them those which would be applicable to the circumstances and temperament of the people of the Western Region.

93. If the efforts of the Government in this direction succeed, the economic progress that will be achieved in this Region by 1960 will be considerably more than that which would otherwise have taken place, for the money that is being provided by Government will go a much longer way and the impact of the development programme on the standard of living in this Region will be that more impressive.

Medical and Health

Table XI (£,000)

<i>Expenditure</i>		1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Recurrent	...	1,151	1,562	1,671	1,685	1,699	7,768
Capital	...	1,190	901	26	26	26	2,169
Total	...	£ 2,341	2,463	1,697	1,711	1,725	9,937

94. A tremendous expansion of the Medical and Health Services of the Region has taken place during the last three years, in accordance with the declared policy of Government. Much of course remains to be done, and what has been achieved requires to be consolidated. There are policy commitments still in process of fulfilment. Urgent attention is required in certain fields considered to be vital for the health of the citizens of the Region. It is the intention of the Ministry of Public Health to attain all these objectives during the next five years.

95. *New Hospitals and Institutions.*—In fulfilment of the Policy that there should be at least one Hospital in each Division, either Government or Mission-maintained, seven new hospitals were planned; these will be completed in the near future. Two further Hospitals are also proposed, one to be at Iwo and the other at Ogbomosho. An extension of the Nurses Preliminary Training School is also contemplated to provide for the considerable increase in nursing staff which the new Hospitals will require.

96. Aro Nervous Diseases Hospital, designed to provide beds for two hundred patients, is nearing completion. The hospital has to date been built with assistance from grants from Colonial Development and Welfare Funds, but full responsibility for its maintenance and running has been assumed by the Government of the Western Region. The total estimated capital cost will be approximately £350,000 and the total recurrent expenditure is not likely to be less than £103,000 per annum.

97. The urgent necessity for countering tuberculosis admits of no argument. It is intended that this should be met by the establishment of a Tuberculosis Clinic in Ibadan at a cost of £25,000. It is hoped to defray a proportion of the cost from the proceeds of the Government Lottery shortly to be established, the entire proceeds from which will be devoted to Medical Services.

98. *Improvements to existing Institutions.*—A sum of £50,000 has been ear-marked for effecting improvements to existing Provincial Hospitals, thus continuing the policy of the Ministry in this sphere.

99. *Grants-in-aid for Medical Services.*—Allocation has been included in the Plan for continuation of the Ministry's policy of giving grants-in-aid to Missions and Local Authorities for free treatment to children under 18 years of age. Provision has also been made for the Government's share of the expenses of Combined Hospitals under the Combined Hospital Scheme.

100. *Adeoyo Hospital*.—On the completion of the Teaching Hospital, Adeoyo Hospital will no longer be required by the University College and in the ordinary course would be handed back to Ibadan District Council. But, because the Council will obviously not be able to foot the whole bill for carrying on the hospital, in its expanded state, to a reasonable standard of efficiency, the authorities of the University College Teaching Hospital have approached Government with a proposal for Government participation in the administration of Adeoyo after it is relinquished by them, and Government participation in responsibility for financing the hospital. As it would like to see maintained at Adeoyo a quality of service appropriate to a good general hospital, the Government has informed the Teaching Hospital authorities that it welcomes their proposal. Allowance has accordingly been made in the allocation in the Development Plan for Medical Services for the contribution likely to be required in aid of Adeoyo Hospital.

101. *Health Services*.—Provision of £50,000 has been made for 1955-56 in respect of a School of Hygiene to be opened in Ibadan, and a further £30,000 for the establishment of two Rural Health Centres in the Ibadan rural areas.

102. It is the present policy that four dispensaries and four maternity centres should be established in each Division, excepting Oshun and Ibadan, each of which, on account of its size, is to have six dispensaries and six maternity centres. The maintenance of these centres will be the responsibility of the Local Authorities concerned, but the full capital cost amounting to £112,000, will be met by Government. Mobile dispensaries are also provided for, under existing policy commitments, and in particular three ambulance launches and two touring launches towing floating dispensaries will be brought into service to meet the needs of the waterside areas.

103. *Leprosy*.—Under existing policy, considerable expansion of the Ossiomo Leprosy Centre has already taken place. A survey into the incidence of leprosy in Ondo Province has just been completed. The Report is now under consideration and may necessitate the opening of segregation villages and the establishment of a further settlement. It is not possible at this stage to estimate additional requirements but the Ministry will take all measures possible within the limit of the resources available to it.

Education

104. *General*.—A programme of free Universal Primary Education has been successfully launched. The greater part of the Ministry's expenditure in 1955-60 will be devoted to that programme, and to those forms of post-primary Education which are complementary thereto. During the next five years, it will be the policy of the Ministry to consolidate and bring to fruition the education programme which has already been worked out in detail, and is in the course of implementation.

Education (Section A)—Primary Education

Table XII (£,000)

Expenditure	1955-56	1956-57	1957-58	1958-59	1959-60	Total
Recurrent	2,520	3,350	3,640	4,010	4,225	17,745
Capital	1,261	760	1,440	738	220	4,419
Total	£ 3,781	4,110	5,080	4,748	4,445	22,164

105. The policy of providing free primary education for all children, the initial stages of which have been implemented with such success, will be carried to completion during the period of the Plan, and by 1960 all eligible children will be attending school. In pursuance of this policy, the Government has introduced a six-year primary course which will not only improve existing standards but also ensure that the entry to secondary institutions is of the highest quality.

106. The capital cost of the programme will be met entirely by Government, but the recurrent expenditure on Voluntary Agency and Local Authority primary education will be shared between the Government and the Local Authorities. The estimated level of recurrent Government expenditure in 1959-60 will reach £4,225,000 and provision for a total capital expenditure of £4,419,000 has also been made.

107. Under the education plan, Government is required to meet 85 per cent of the salaries bill, while local authorities find the remaining 15 per cent and all those additional charges which are classified as "other expenses". It is estimated that by 1960 the primary school population will settle down to a figure of 1,020,000, excluding wastage, but it will be appreciated that, in the absence of reliable statistics, this estimate can only be regarded as approximate. Planning has proceeded on the assumption that 34,000 classes will be required and a total of 40,000 teachers, half of whom will be trained.

Education (Section B)—Secondary Education other than Technical

Table XIII (£,000)

<i>Expenditure</i>	...	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Recurrent	...	225	295	347	378	457	1,702
Capital	...	211	215	215	107	107	855
Total	...	£ 436	510	562	485	564	2,557

108. Provision has been made for the opening of new secondary grammar schools during the period 1956-60, which together with those already in existence, will provide places for approximately 10 per cent of the pupils who have successfully completed the primary school course.

109. The Ministry's secondary modern school policy is now under review by the Regional Advisory Board of Education, and its future awaits the deliberations of that body. In the meantime, a recurrent provision of £20,000 per annum has been made to augment any fees charged to pupils attending schools or night courses.

110. Capital grants to secondary grammar schools will be reduced from a maximum of £15,000 to £10,000 per school.

Education (Section C)—Teacher Training

Table XIV (£,000)

<i>Expenditure</i>	...	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Recurrent	...	428	433	438	443	448	2,190
Capital	...	288	113	112	106	—	619
Total	...	£ 716	546	550	549	448	2,809

111. The Ministry is proceeding with a programme designed to expand Teacher Training Institutions to provide 50 per cent trained teachers in all primary Schools by 1959 and a trained teacher in each Secondary Modern Class. By the end of 1955 this programme will be in full operation. In addition, provision has been made for the running of an emergency Teacher Training Course, a Handicraft Training Scheme, and In-service Training.

Education (Section D)—Technical Education

Table XV (£,000)

<i>Expenditure</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Recurrent ...	55	110	150	200	250	765
Capital ...	74	821	380	380	—	1,655
Total ...	£ 129	931	530	580	250	2,420

112. A comprehensive system of Technical Education will be provided, suited to the needs of a developing country and calculated to produce a range of technical workers extending from skilled craftsman to technicians and managers.

113. In addition to the existing five Handicraft centres, the Sapele Trade Centre and the Abeokuta Women's Occupational Training Centre, it is intended—

(a) to double the capacity of the Sapele Trade Centre ;

(b) to establish three additional trade centres ;

(c) to found four secondary technical schools which will provide, in addition to a full basic course of secondary education, specialised instruction in one or more technical subjects.

Education (Section E)—Scholarships

Table XVI (£,000)

<i>Expenditure</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Recurrent ...	160	160	160	160	160	800

114. The existing policy regarding scholarships will be continued throughout the period of the Plan. Provision for £160,000 annual expenditure has therefore been made, and scholarships will be awarded in accordance with annual assessments of the needs of the Region in the various fields of study.

Education (Section F)—Other Education Expenditure

Table XVII (£,000)

<i>Expenditure</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Recurrent ...	680	640	640	640	640	3,240
Capital ...	22	4	39	4	4	73
Total ...	£ 702	644	679	644	644	3,313

115. Provision has been made in each year of the Plan, for literature production, a Regional Library, Domestic Science and Physical Education equipment at the existing level, and special purpose grants-in-aid. The allocation under this Section also includes provision for Adult Education. Adult Education will in future be closely linked with Community Development efforts. The only significant item of capital expenditure included in the allocation after 1955-56 is £35,000, for the building of the Regional Library mentioned above. Headquarters expenditure is expected to be held at the present level of £553,000.

Cultural Research

Table XVIII (£,000)

<i>Expenditure</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Capital		10	9	9	12	40

116. Cultural Research might not at first sight appear to have any particular part to play in the economic development of the Region. To accept the present, however, without paying due attention to the history of the past, and the formative influences which have been steadily at work down the centuries, would be to ignore a factor which has an important bearing on the social and economic structure of the Region as it is today. Limited research has been undertaken in the past, but lack of funds has been a severe handicap, and much remains to be done.

117. There are two main cultural groups in this Region, namely the Yoruba and the Edo. A fair amount of literature exists on both of them, but there is not nearly enough, and up-to-date research is lacking. Government would therefore like to see more research done on both during the period of the present Plan. It is understood that the University College, Ibadan, has already formulated a scheme for a study of Benin, to be financed partly by the Federal Government and partly by certain agencies abroad. This scheme is to cost about £50,000. In the circumstances, the Western Region Government has only projected in its Plan expenditure for the study of the Yoruba.

118. The study which it is proposed to undertake will involve a research into the history of the Yoruba people from the earliest times (including a critical examination of the theory of their migration from the Near East) and the eventual establishment of the Yoruba Kingdoms. This research will cover Yoruba cultural, social, and political life through the ages, and will employ all modern methods of research into the past of non-literate societies, including archaeological excavation, analysis of anthropological data, and oral and recorded evidence. The project is designed to provide a full history not only of the Yoruba people, but also of the Yoruba language, and Yoruba music and art.

119. Implementation of this project will cover a period of approximately five years. The research will be carried out by a Research Fellow, an Assistant Research Fellow, and ten Research Associates, who will be provided with the necessary subordinate staff and equipment. Total provision of £40,000 has been made in the Plan for salaries and grants, and for the cost of equipment, and the expenses of publishing the results of the research, including an authoritative History of the Yoruba people from the earliest times.

Public Works Department, Maintenance Works, Maintenance Services

Table XIX (£,000)

<i>Expenditure</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Recurrent	1,221	1,310	1,373	1,423	1,526	6,853
Capital	129	45	45	45	45	309
Total	£ 1,350	1,355	1,418	1,468	1,571	7,162

120. Provision has been made for the existing Public Works Department establishment plus additional provision for staff to supervise the Rural Water Supplies programme. No additional provision has been shown for staff in charge of Urban Water Supplies as their salaries and allowances will be met by the Local Authorities responsible for individual schemes. The present establishment, if it can be filled, is adequate to supervise a programme of works of the scale envisaged in the Plan.

121. Provision has also been made for the extra cost of maintenance of buildings and roads arising out of expenditure provided for in other sections of this Paper, and for the replacement of motor vehicles and plant.

Electricity

Table XX (£,000)

Expenditure	1955-56	1956-57	1957-58	1958-59	1959-60	Total
Capital ...		250	250	250	250	1,000

122. It is understood to be the policy of the Electricity Corporation of Nigeria, with the approval of the Federal Government, to confine its activities in the next five years to expanding its existing electricity undertakings, as recommended by the International Bank Mission. The Western Region Government, however, can not accept with equanimity the implications of that policy. There are constant demands for electricity from all over the Region both for domestic and for industrial uses, demands which the Regional Government is naturally anxious to see met as soon as possible. Under the present Constitution, electricity is a concurrent subject. Under existing Federal legislation, licences to generate electric power are issued by Governors of Regions for plant not in excess of 200 k.w., and by the Governor-General where the plant is of a higher capacity. Section 50 of the Electricity Corporation Ordinance however provides that—

“No licence shall.....be granted under the provisions of the said Ordinance (*i.e.*, the Electricity Ordinance), to any person other than the Corporation unless notice of the particulars of the application for such licence has been given to the Corporation, and unless the Corporation has either expressed to the Governor-General their inability to undertake the functions in respect to which such application is made, or, within such time after the giving of such notice as the Governor-General may deem reasonable, failed to satisfy the Governor-General of their ability to undertake such functions.”

123. The Western Region Government proposes to make as much use of the services of the Electricity Corporation of Nigeria as possible and to this end will be prepared to negotiate with the Corporation the terms upon which undertakings can be established in the Region for which the Federal Government is unable or unwilling to provide the necessary capital funds, or which the Corporation does not consider a demonstrably economic undertaking. It has, however, been agreed with the Federal Government that where the Electricity Corporation of Nigeria is unable or unwilling to establish an undertaking requested by a Regional Government, or the terms upon which it is prepared to do so are not acceptable to the Regional Government, or it is unable to meet the request within a reasonable time, the Regional Government will be allowed to make its own arrangements for the establishment of the new undertaking.

124. Present indications are that, to meet many of the demands for electricity in the Region, it will be necessary for the Regional Government “to make its own arrangements”. Accordingly, a sum of £1 million has been provided in the present Plan for capital expenditure on electricity undertakings. Consideration is being given to the kind of organisation which will be required for the construction and supervision of electricity undertakings initiated by the Regional Government. It will be the policy of Government to insist that local communities which ask for electricity should be prepared to pay an economic price for it. The Government will assist them by the provision of the capital funds as interest-bearing loans, but they will be responsible for servicing and amortising the loans and for the operational expenses of the undertaking.

Urban Water Supplies

Table XXI (£,000)

<i>Expenditure</i>	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Capital ...	1,030	520	640	1,180	1,190	4,560

125. As has been mentioned in paragraph 74 above, the necessity for an adequate system of Urban Water Supplies for the development of industry is fully appreciated. An equally important consideration is the incidence of disease brought about by the lack of potable water in many places in the Region. Government therefore plans to pursue energetically its present policy of extending pipe-borne water supplies to as many towns and their adjoining areas as resources will permit. Twelve schemes have either been completed, or are in the course of construction, at a total cost of £2,190,000; eight further schemes are projected.

126. It is the intention of Government that 50 per cent of the capital cost of each Scheme shall be paid from Government funds, and the remaining 50 per cent advanced to the Local Authorities as an interest-bearing loan. Local Authorities will also be responsible for all recurrent maintenance costs, and no scheme will be implemented unless the Local Authority concerned certifies that these terms are acceptable, and there is clear evidence of willingness and capacity to pay. The same financial conditions will apply to extensions to existing schemes.

127. Provision of £4,560,000 has been made, and the total cost of Schemes, completed or projected, amount to approximately £5½ million.

Rural Water Supplies

Table XXII (£,000)

<i>Expenditure</i>	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Capital ...	50	60	110	135	145	500

128. The Government will continue the improvement of rural water supplies, and will assist local communities in providing not only wells, but where the inhabitants so desire and can find their share of the cost, more expensive water facilities.

129. Great importance is attached to community development effort in this field, community development techniques will be applied to the full, and priority given to those areas where the spirit of self-help is displayed. In this way, it is hoped that with the aid of the £0.5 million allocation made in the Plan, it will be possible to undertake schemes of a total value of not less than £1 million.

Road Development

Table XXIII (£,000)

<i>Expenditure</i>	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Capital ...	500	1,000	1,000	1,000	500	4,000

130. The International Bank Mission recommended in its Report an extension of Trunk Road B mileage, and the tarring of all Southern Trunk Roads B. Government regards the improvement of the existing road system as a vital factor in the economic development of the Region. The International Bank Mission further projected a total capital expenditure of £2,000,000 for the five-year period, but after examination it has been found that road tarring capacity in the Region will be adequate to carry out a more ambitious programme.

131. An allocation of £4,000,000 has been made for the tarring of all Trunk Roads B, for general improvements to existing roads, and for the construction of new roads where these are found to be an economic necessity.

132. A Road Development Committee has been appointed, and charged with the responsibility for submitting recommendations to Government on the road programme to be undertaken. As a result of its interim Report, bituminous surfacing of 356 miles of Trunk Roads B and 110 miles of Provincial and Feeder roads is already in progress. The Committee's final Report is now under consideration.

Survey

Table XXIV (£,000)

<i>Expenditure</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Recurrent ...	137	184	205	215	225	966
Capital ...	9	16	24	14	8	71
Total ...	£ 146	200	229	229	233	1,037

133. In Sessional Paper No. 1 of 1953, Government stated its policy regarding a planned expansion of the Survey Department to cover the five-year period 1953-58. This policy has two main objectives ; firstly, it will provide by 1958 a self-contained Provincial Survey Office in each Province, capable of dealing efficiently and expeditiously with its own local and normal Survey requirements ; secondly, special and properly organised Headquarters Branches will have been established within the same period to deal with the broader survey problems of a Regional nature.

134. The Survey Service is one of the basic services, upon which much of the success of any major development programme depends. The early provision of maps, plans and other survey information is a necessity if agricultural and other development is to proceed. Further increases in survey expenditure must be faced, over and above those already projected for the completion of the present programme to which the department is committed. The Agricultural programme will necessitate research into systems of land tenure, and consideration of the possibility of land registration. Cadastral surveys will be increasingly required and still more work for the Survey Department will stem from other projects included in the Plan.

135. Provision has therefore been made, not only for the completion of the current programme by 1957-58, but also for the additional commitments indicated above which will devolve upon the department as a result of the activities of other Departments.

Land and Town Planning

Table XXV (£,000)

<i>Expenditure</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Recurrent ...	51	78	78	79	80	366
Capital ...	54	11	11	11	11	98
Total ...	£ 105	89	89	90	91	464

136. The majority of the towns in the Western Region are severely handicapped by the lack of proper town planning, to the detriment of public health and ordered development. Government policy is to tackle this problem by encouraging Local Authorities to take a proper interest in town planning. Prime responsibility for financing it must rest with the Local Authorities, but in view of their limited resources, an allocation of £20,000 per annum has been made in the Plan to enable Government to give assistance in appropriate cases. These subventions will be conditional upon a local contribution, for this is a sphere in which the community development spirit should play a

arge part. Additional town planning and other Lands Department staff will be required to implement this policy, and increased provision of £12,000 per annum has been allocated for 1956-57 onwards.

137. One other important function to which the Department of Land must give its attention during the period of this Plan is the examination of land tenure problems which at present impede progress in both the agricultural and the industrial fields. Without a system of land registration, large scale investment in land is impossible.

Printing

Table XXVI (£,000)

<i>Expenditure</i>	...	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Recurrent	...	107	122	139	158	179	705
Capital	...	9	8	8	8	8	41
Total	...	£ 116	130	147	166	187	746

138. The Printing Department inevitably expands with expansion in other activities of the Government. Already, the department is strained to the limit to meet the calls made upon it at the present level of activity. Provision has been made in the Plan for extra staff which will result in a rise in recurrent expenditure from £107,000 in 1955-56 to £179,000 in 1959-60. A total capital provision over the planning period of £41,000 has also been allowed for, for the purchase of additional equipment.

Information Services

Table XXVII (£,000)

<i>Expenditure</i>	...	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Recurrent	...	114	130	132	134	135	645
Capital	...	74	52	12	12	12	162
Total	...	£ 188	182	144	146	147	807

139. The provision of adequate Information Services is essential if people of the Region and the outside world are to be fully informed on the developments taking place in the Region, and if the department is to be able to mobilise full public support for the implementation of the Plan. A modest expansion has already taken place. Mobile cinema vans and barges are being introduced to meet the needs of the outlying areas of the Region. There is, however one important service which is still lacking and must be provided as soon as possible—an organisation for the production of documentary films. Such an organisation is indispensable if effective use is to be made of the mobile cinema vans and barges.

140. The value of documentary films in publicising the activities of a country is well known. Suitable films could be made to help in Government campaigns against illiteracy and ill-health, campaigns to foster the community development spirit, campaigns to let the people know what their elected representatives are endeavouring to do for them and to make them understand more clearly their own role in their country's affairs.

141. In order to ensure that the most appropriate production organisation is created, the Ministry of Home Affairs is making a survey of experience and techniques in other parts of the world, including the Gold Coast. Upon such evidence as is now available to the Ministry, the financial provision that will be required for the establishment and operation of a film production unit has been estimated at £40,000 capital and £15,000 per annum recurrent. The majority of the

directing staff of the unit will be expatriate officials at first, for the simple reason that film production is a relatively new line in this country and the opportunities for training Nigerians in it have not been great. Even expatriate recruitment will not be easy, owing to the effect of commercial television upon the field of recruitment. It is the firm intention of the Ministry to build up a competent staff whose duty it will be to train Nigerians to take over the management of the unit as soon as possible.

Statistics

Table XXVIII (£,000)

<i>Expenditure</i>	...	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Recurrent	...	—	10	20	25	30	85
Capital	...	—	15	—	—	—	15
Total	...	£ —	25	20	25	30	100

142. A branch of the Federal Department of Statistics is located at Regional Headquarters, Ibadan, and has been of much value to the Region. For the reason stated in paragraph 17 of this Paper, and because of the increasing statistical requirements of the Region, it is proposed to start as soon as possible a Regional Department of Statistics. The building up of the department must be a gradual process, since experienced Statisticians will not be easy to recruit. Care will be taken to avoid any duplication of work which is already adequately covered by the Federal organisation.

Exercise Book Factory

Table XXIX (£,000)

<i>Expenditure</i>	...	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Recurrent	...	190	—	—	—	—	190

143. Government has decided to establish a Printing Corporation with the immediate object of manufacturing sufficient exercise books to ensure an adequate supply at reasonable cost to all educational institutions in the Region. The Corporation's activities will be extended in due course to provide "follow up" literature in a range of subjects for newly literate adults, and vernacular primers for adult education classes. The necessary capital has been made available from Government funds. The Corporation will operate on a commercial basis.

144. The Book Factory is being designed to manufacture in the initial stages 8,000,000 exercise books per annum. Agreement has been reached with Messrs Buffalo Books Limited of London to act as managing agents until Nigerians with adequate training and experience are available to take over. This agreement also includes an obligation on the part of the company to assist in the training of selected Nigerians in their works in the United Kingdom.

Western Region Production Development Board

Table XXX (£,000)

<i>Expenditure</i>	...	1955-56	1956-57	1957-58	1958-59	1959-60	<i>Total</i>
Capital	...	500	1,000	1,000	1,000	1,000	4,500

145. The Western Region Production Development Board was established under Ordinance No. 12 of 1955, and displaced the Western Regional Production Development Board created in 1949, whose property, assets and functions it assumed. The aims and duties of the new Board were statutorily declared to be :—

(a) the promotion of the development of the producing industries ;

(b) the formulation of schemes for the benefit or prosperity of the people of the Region, including schemes for the provision of training in economics, commerce, and technical trades and professions ; and

(c) the preliminary investigation of any scheme coming within the provisions of the above two declared objectives.

146. The Production Board is the chief agency of Government for the undertaking of agricultural and industrial enterprises. It was not, however, intended at any time that the Board should assume a preponderant role in production ; rather, its function is that of catalyst designed to aid and accelerate those changes necessary in the fields of production, both agricultural and industrial, that must eventually come if full advantage is to be taken of the potential available for development within the Region. To this end, the existing activities of the Board have been subjected to a searching review, and the policy to be pursued during the five-year period of the Plan will be as indicated below.

147. *Agricultural Policy.*—The main lines of the Board's existing policy will continue unchanged. The Board will carry through to completion its existing large-scale plantation schemes which represent a capital investment of over £5½ million. It is not, however, intended that the Board should embark on any further schemes of this kind except in conjunction with technical and/or financial partners who are prepared to make a substantial contribution to the capital cost involved.

148. The Board's partnership plantation schemes are intended to act as demonstrations of, and incentives to, better farming methods in the communities in which they are placed. The Board will be invited to review its present policy in respect of such partnership plantation schemes with a view to making it more flexible. In particular it is considered that there is room for more such schemes for oil palm production with pioneer oil mills operated in conjunction. Similarly, in the case of rubber, there is need to examine the practicability of attempting to combine small rubber partnership plantations with small processing factories. It will continue to be the function of the Board to undertake trials on a commercial scale of new crops and livestock in an endeavour to determine their economic prospects. In all these fields, the work of the Board will be complementary to that of the Department of Agriculture.

149. *Industries.*—The Board is fully aware of the important role which it is designed to play in the industrial development of the Region. The industries so far established by the Board (fruit canning, rubber processing and pioneer oil mills), involving a capital outlay of £1.5 million, are all concerned with the processing of export crops. The Board is already turning its attention to the establishment of other industries designed to serve the local market. Clearly those based on the utilisation of a local raw material have the greatest natural economic advantage. In this category, amongst the new industrial projects now under active investigation, come textiles, cement, rubber tyres, tanning, leather, paper and match manufacture. The Board has also under consideration the establishment of metallurgical and plastics industries. Following an expert investigation, the Board has approved in principle the establishment of a Housing Trust. This is intended to operate on a commercial basis and on Building Society lines, suitably adapted to present conditions in the Western Region. The Board has earmarked £500,000 of its existing funds and Government has agreed to make to the Board a special loan of a further £500,000, to enable the Board to provide an initial equity capital of £1,000,000 to this project which is designed to confer general benefits and to meet a recognised need. In addition, the Board has under consideration the establishment of an Industrial Estate (or Estates) which should be of considerable value to all prospective industrial entrepreneurs and was strongly advocated by both the International Bank Mission and Professor Lewis.

150. *Outside Capital Participation.*—In accordance with Government policy, the Board will welcome external capital participation in agriculture, as well as in industry, subject to adequate safeguards, and the beneficial role which such participation can play in the economic development of the Region is fully appreciated. The Board, in pursuance of this policy, will be willing to consider all propositions from overseas which fall within its own sphere of activities.

151. *General.*—The general role of the Board can be defined as :

(a) the undertaking of those projects for which individual initiative and private capital are not forthcoming, *i.e.*, to be complementary to, and not competitive with private enterprise ;

(b) the undertaking of those types of enterprise for which the minimum economic unit, and so the capital requirements, are large ;

(c) the attraction, so far as possible, of outside capital to these enterprises, subject to adequate safeguards.

The capital required to implement the expansion of the Board's programme on the lines indicated is obviously difficult to forecast since only when a project is finalised can its cost be accurately assessed. Capital provision of £4 million over the 5-year period has been included in the present Plan but, as already stated, it is hoped that it will be possible in various fields for this to be supplemented by capital from outside sources. It is intended that the Board should pay interest at economic rates on the £4 million to be made available by Government.

Western Region Finance Corporation

Table XXXI (£,000)

<i>Expenditure</i>	<i>...</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
<i>Capital</i>	<i>...</i>	—	813	813	312	312	2,250

152. The Finance Corporation was established under Ordinance No. 9 of 1955 and assumed the property and functions of the former Regional Development Board. The statutory objects of the Corporation are the making of advances and/or grants to Local Loans Boards (which in turn may make advances to farmers for the purpose of agriculture), and advances to other persons for the promotion of projects which appear calculated to further the economic development of the Region, and in particular the development of agricultural, industrial or commercial enterprises in the Region. The loan programme of the Corporation is one of the chief methods by which Government intends to stimulate economic activity, and it is therefore intended to invest in it a sum of £2,250,000 during the period of the Plan ; the Corporation will be expected to pay interest to Government on this sum.

153. *Agricultural Loans.*—The categories of agricultural loans which the Corporation will make can be summarised as follows :—

(a) *Cocoa Spraying* : Loans will be made on the recommendation of the Department of Agriculture.

(b) *Short-term seasonal loans* : To encourage the cultivation of ginger, tobacco, rice, cotton and other commercial crops, and to provide finance for the purchase of fertilisers

(c) *Food crop loans.*

(d) *Medium term loans* : To finance annual cultivation of cocoa, rubber, citrus, kola, coffee, oil palms and coconuts.

(e) *Group-farming loans.*

(f) *Major Agricultural loans* : For larger scale projects similar to those described under (d) above.

The Corporation, when considering applications, will pay due regard to the need to encourage large-scale farming.

154. *Industrial Loans.* It will be the policy of the Corporation to confine loans to those borrowers who are willing and able to put some of their own money or other property in the business and who either possess personal experience in the particular field in which they wish to engage or can guarantee the securing of the necessary technical or managerial staff. Technical advice will be made available to the Corporation by the Department of Industries, and commercial advice by the new Trade Division of the Ministry of Development. It is intended that the existing powers of the Corporation should be extended by legislation to enable it to take up shares in any enterprise, and, so long as it remains a shareholder, to participate in the control of such an enterprise. It is not, however, the intention that the Corporation should, on its own initiative, establish any industry.

Local Government Councils (Special Grants)

Table XXXII (£,000)

<i>Expenditure</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Recurrent	846	282	141	—	—	1,269

155. The application to all local government authorities in the Region of the Local Government Law has recently been completed. Local Government Councils have been formed with wider powers than hitherto. The Councils will play an increasingly important part in the development of the areas under their control. Owing to the short period of time they have been established, they have had little opportunity to plan to increase their revenues. They are now faced with a substantial bill on account of the revision of the rates of pay of their daily paid workers, their salaried staff, the teachers to whose salaries they contribute, and the remuneration of the traditional chiefs. It is the policy of Government that Councils should be assisted in bringing their rates of pay into reasonable relationship with the remuneration received by Government staff and employees. The Government has therefore decided to pay special grants to local government councils equal to 100 per cent of their additional expenditure on account of the three items mentioned above, from 1st October, 1954 to 31st March, 1956, 50 per cent of their bill on the same account in 1956-57, and 25 per cent in 1957-58. Thereafter, the Councils should be able to meet the entire bill from their own resources.

156. It is the Government's hope that, in return for the above assistance, local government councils will show increasing initiative in improving social and economic services in their areas, and in helping to foster the community development spirit which could make a substantial contribution to the development of the Region.

Local Government Councils (Loans)

Table XXXIII (£,000)

<i>Expenditure</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Capital	—	187	187	188	188	750

157. As explained in Part I of this Paper, it has been decided that the making of loans to local government councils should not be the function of the Finance Corporation, because the making of loans to public bodies calls for the application of different criteria and techniques from those governing the making of loans to private enterprise. The difference is the more relevant here because of the stage of development yet reached by local government administration in this country. Loans to local government councils must be governed as much by social factors as by commercial criteria although it cannot be too much emphasised that decisions on local government applications for loans must not fail to take cognisance of the economics of the schemes put forward.

158. The International Bank Mission's recommendation on the question of the appropriate organisation for making loans to public bodies is that each Region should establish for this purpose a local development fund to be administered by the department of Government responsible for

local government finance, that is, so far as this Region is concerned, the Ministry of Local Government. The Mission envisaged the fund as being available, not only for loans, but also for grants to local government councils. The Western Region Government is of opinion that such mixture of purposes is inadvisable and that if a fund is created, its purpose should be limited to the making of loans. In fact it does not consider a special fund necessary, in view of its decision to introduce a Capital Budget, into which will be segregated the whole of the capital expenditure of the Region, including direct loan expenditure by the Government itself, and loans made to local government councils by the Government. It has seemed to the Government sufficient to provide for the funds for local government loans as an allocation in the Capital Account Fund of the Government.

159. Again as already indicated in Part I of this Paper, the responsibility for the administration of local government loans will rest on the Ministry of Local Government, advised by the Ministry of Finance regarding the financial soundness of schemes and by other appropriate Ministries where technical questions are involved. Issuing the sum approved, maintaining the books of account and ensuring that recoveries are made in accordance with the terms of the loan agreement, will be the responsibility of the Accountant-General who will, of course, keep the Ministry of Local Government and the Ministry of Finance informed of progress in the recovery of loans.

160. The Government fervently hopes that local government councils will take advantage of the borrowing opportunity thus placed at their disposal. Loans will be available mainly for economic projects, including public utilities and services. The councils will not be required to pay a higher rate of interest than Government itself has to pay on its borrowings. But before sanctioning a loan, the Government will insist upon evidence that the project to be financed is a sound one, that it has been properly costed, and that adequate technical and managerial staff will be available to make the scheme a success.

161. Provision has been made in the Development Plan for only a modest sum of £750,000 for loans to local government councils. But if the number of eligible applications make it advisable, Government will be prepared to consider raising an additional loan in order to be able to increase this allocation.

Public Debt

Table XXXIV (£,000)

Expenditure	...	1955-56	1956-57	1957-58	1958-59	1959-60	Total
Recurrent	...	54	184	314	439	564	1,555

162. At the commencement of the planning period, the Region's Public Debt amounted to only £1 million. Since that date, the Marketing Board has made a loan to the Government of £4 million, which is being used to finance the road development programme. It is proposed to borrow a further £6 million from the Board to assist in financing the capital expenditure envisaged in the Plan and also £5.06 million from other sources (e.g. the West African Currency Board), £2.56 million of which will be used to finance Urban Water Supplies, £0.5 million for the Housing Trust and £2 million for general purposes.

163. The Public Debt will therefore be raised to £16.06 million by the end of the planning period. This sum is relatively small compared with the total wealth of the Region. Moreover, as £4.5 million of it will be lent to the Production Board, £2.25 million to the Finance Corporation, £1.28 million to Local Government Councils for urban water supplies, and another £.75 million to Local Government Councils for public utilities and other economic ventures, the burden of servicing the public debt will be correspondingly reduced.

164. It is estimated that the net loan charges will rise from £54,000 in 1955-56 to £564,000 in 1959-60. Net loan servicing charges at the end of the planning period will therefore reach only the modest proportion of 3.2 per cent of projected annual revenue.

General Administration

Table XXXV (£,000)

<i>Expenditure</i>	<i>...</i>	<i>1955-56</i>	<i>1956-57</i>	<i>1957-58</i>	<i>1958-59</i>	<i>1959-60</i>	<i>Total</i>
Recurrent	...	2,445	2,584	2,598	2,613	2,635	12,875
Capital	...	1,831	1,026	432	540	540	4,369
Total	... £	4,276	3,610	3,030	3,153	3,175	17,244

165. By "General Administration" expenditure in this context is meant expenditure upon services not directly related to any particular schemes of development, social or economic, and services which it has not been thought necessary to deal with in separate sections. The projections under this heading cover expenditure under the following Heads :—

- The Governor
- The Premier's Office
- The Executive
- The Legislature
- The London Office
- The Ministries
- Produce Inspection
- Education Inspectorate
- Treasury
- Legal
- Audit
- Judicial
- Miscellaneous (excluding contributions to Revenue Equalisation Fund and to Scholarships Fund).
- Pensions and Gratuities
- Public Service Commission
- Subventions (excluding subventions specifically referred to elsewhere in this Paper).

166. Although the policy is to hold expenditure under each of the above Heads at the 1955-56 level, this has not proved possible in certain cases. Some expansion of the Treasury and Audit Departments is inevitable during a period of expansion in general activity resulting in an increase in the volume and variety of financial transactions. It has also been necessary to provide for a modest increase in the staff of Ministries to enable them efficiently to discharge their functions of policy co-ordination and financial control.

167. On the other hand, additional provision to strengthen the Treasury, the Audit and the Ministries should in the long term, if not in the short, result in a reduction in Government expenditure. As Government activities expand, it is increasingly necessary to provide for adequate Treasury control of expenditure, to avoid waste of public money. The primary responsibility for the enforcement of such control rests on the Ministry of Finance, and the staff of the Ministry is being strengthened on this account. It is also hoped to create in the Ministry before the end of the current financial year an Organisation and Methods Section, whose duty it will be to enquire closely into the work being performed by subordinate staff in the different Departments of Government and to advise as to the ways in which that work can be done most efficiently. If this Section succeeds, as similar Organisations have succeeded elsewhere, the result will be, not only increased efficiency in the Public Service, which is its primary object, but also a more economically run service and, consequently, significant savings in Government expenditure.

168. *Training*.—Another activity for which additional provision has had to be made under "General Administration" Expenditure, but which should result in savings in the long term, is Training. The importance which the Government attaches to the expansion of training facilities for its indigenous staff was stressed by the Honourable the Premier in his speech to the House of Assembly during the debate on the Gorsuch Report. A section is to be created in the Establishments Division of the Ministry of Finance to which will be entrusted the task of inspiring and co-ordinating the production of training schemes to meet all the requirements of the Public Service. Provision has also been made for the expansion of departmental training facilities where these are not already provided for in the department's expenditure programme.

PART V. IMPLEMENTATION OF THE PLAN, AND OTHER MATTERS

169. In the preceding Parts of this Paper, the Government has set out the background to the new Plan, the resources from which the expenditure projected is to be met, and the objectives of the Government in the various fields covered by the Plan, followed by details of the respective departmental programmes. Indications have been given in several places of the means by which it is hoped to attain the objectives. In this Part, it is proposed to expand upon those indications and to give consideration to certain factors bearing on the whole question of the implementation of the new Development Plan.

Shortage of Skills

170. The progress of the Ten-Year Plan of Development and Welfare was impeded not so much by lack of finance as by lack of trained staff, and by the shortage of equipment and materials. The Western Region Government has borne these factors constantly in mind in the formulation of its present Plan. The supply position for equipment and materials is considerably better today than it was in 1946 when the Ten-Year Plan went into operation. Shortage of trained staff, on the other hand, has persisted and in certain fields is very acute indeed. In most countries, building and construction take up a good half of gross fixed capital formation. In 1952 the figure was 59 per cent on the Gold Coast, 56 per cent in the United States and 61 per cent in Nigeria. Scarcity of building capacity can be a big obstacle to stepping up the rate of investment. A careful watch will be kept on the building and road construction works to ensure that the heavy programme of expenditure envisaged in the present Plan does not give rise to inflated costs and a consequent reduction in the amount of work that can be completed with the funds available. It seems at present that the unskilled labour force will be adequate to meet the demand likely to be made upon it but the position will be continuously watched to ensure that capacity is not overstrained. It is hoped that the expansion of training facilities, for which ample provision is made in the Plan, will help to minimise shortage of skills.

Collaboration with the Private Sector

171. The expansion of economic activity in the Region will depend as much on the response of the private sector of the economy to the lead given by Government as on the activities of Government. Arrangements will be made to keep in close touch with all classes of private enterprise, through trade associations (including Co-operatives) and by direct consultation in appropriate cases with individual firms, so as to learn their requirements and take account of them in the framing of the annual expenditure programmes. For example, the Government's scholarship policy has always taken into consideration the need of private enterprise for trained staff. Business, banking and industry are all represented in the Finance Corporation.

Encouragement of Savings

172. Only £5.06 million of the fresh loans required by Government will be raised from other sources than the Regional Marketing Board. But private enterprise, in order to make its own contribution to the development effort, will be requiring a lot of capital during the same period. With the best will in the world, the Finance Corporation will not be able to satisfy all applicants. The greater proportion of the private capital required will have to be raised by public subscriptions either in this country or abroad. It is hoped that external capital will be attracted to this Region, but it would be unwise to rely on external assistance for all our capital needs. Nigerians, like every other people in the world, must learn to spend wisely and save more. For its part, the Government of the Western Region will intensify its savings campaign, particularly through the Co-operative Movement. It hopes that the Federal Government will adopt the recommendation of the International Bank Mission and establish a State Bank which, by the gradual introduction of negotiable securities, should give added impetus to the propensity to save.

Annual Review

173. Needless to say, the new Development Plan is not intended to be an inflexible plan. Admittedly it is easier to foresee the trend of development over a period of five years than over a period of ten. All the same, any forecast of circumstances as they are likely to be in 1960 can be no more than intelligent anticipation. A big change for the better or for the worse in the market for Nigerian exports would call for important adjustments in this Plan. It is therefore the intention of the Western Region Government that the expenditure programme set out in this Paper should be reviewed from year to year, in the light of revenue trends and the availability of men and materials.

APPENDIX

Re-statement of the Western Region Government's Policy on Foreign Capital

This Government suffers from no delusion at all as to the need for participation of foreign capital and foreign management in order to make the Plan as a whole, and particularly the industrial aspect of it a success. We will need to borrow as much as £5.m., from abroad. We will certainly have to depend almost wholly on the technical and managerial skills of foreigners, and, to a not inconsiderable extent, on foreign capital as well, for the successful implementation of our industrial schemes, and some of our agricultural projects.

The impression seems to continue to linger in certain circles abroad that we in the Western Region do not favour the admission of foreign capital, and that I, in particular, have an exaggerated idea of our wealth in this Region. Nothing could be further from the truth.

I am sufficiently informed to appreciate that a Region with an income of only £34 a head, and a revenue of roughly £2 per capita, even with a Marketing Board reserve of some £40 m., is a poor and under-developed community. We still have a long distance to go before we can be regarded, by accepted standards, as being moderately well-off, even as moderately well-off as our neighbour the Gold Coast which has a revenue of about £10 per head. We are fully conscious of the fact that one stage in this long, hard, but happy journey to prosperity and high standards of living is this Five Year Plan. How swiftly, and how successfully we traverse this five-year bit would depend on how much collaboration we get from foreign technique, entrepreneurship, and capital.

In the circumstances, therefore, this Government clearly recognises the necessity—indeed the urgent necessity—for inviting foreign capital and foreign technique into this Region to participate in the implementation of certain aspects of this Plan. Had it been that these indispensable factors of production were in plentiful supply, there would have been many investors waiting to beg for our invitation, and our task in this regard would have been an easy one. But the true position is that capital and modern techniques are in very scarce supply in relation to demand. Our duty is therefore clear. If we want these things and as urgently as we profess, and in the quantity clearly implied in this Plan, we must create in this Region and, in association with others in this country as a whole, an atmosphere sufficiently attractive and congenial to the immigration and habitation of foreign capital and techniques. A stable government with a liberal and progressive policy; and an assurance of freedom of action for the foreigner in the new venture and of security for his investment, will in our view help to bring about the necessary atmosphere. As far as this Region is concerned these conditions now exist and are guaranteed for the future.

This, however, does not end the whole story about foreign capital. Because of historical and empirical circumstances which I need not propound in this address, there are suspicions both on the part of the under-developed countries which desire foreign capital, and on the part of foreign investors themselves. On the eve of self-government we are anxious to be free not only from foreign political rule, but also from foreign economic patronage and exploitation. On the other hand, the foreign investor, having at the back of his mind the lesson learnt at great expense in some other countries which newly attained to freedom, wants to make sure that there are safeguards against political control which is not always conducive to business efficiency, against discrimination in the matter of taxes, and against possible expropriation or confiscation of his capital.

I can assure foreign investors that this Government is quite prepared to provide these safeguards so far as it constitutionally lies in its powers.

At the same time, however, in the interest of foreign investors themselves, and in order that our own fears and suspicions may be allayed, we would insist on certain safeguards which I venture to hope would be readily conceded. What we lack more than any other thing are modern

business techniques and management. We would insist by negotiation rather than by legislation that, in all the industrial ventures which we would launch under this Plan, our own boys and girls, men and women, should be trained on the jobs so that they too may acquire the necessary qualifications that would make us eventually independent of foreign tutelage in these matters.

One other question which always bedevils any negotiation for foreign capital is this. The foreign investors always wish to know in advance what would be the ratio of capital participation as between themselves and ourselves. My experience is that misunderstanding and misrepresentation always easily arise when the ratio of capital participation is discussed in the abstract. No self-respecting person or country—not even an under-developed country—would like to be treated as an inferior in any joint venture. But the issues become clearer, and each party is able to see much more objectively the position which he occupies, when discussion on ratio of capital participation is related to a specific business proposition. I would like to conclude this portion of my address, therefore, by saying that on the question of ratio of capital participation, each specific business venture will be considered on its merits, and that such a ratio would be fixed by agreement between us and the particular foreign investor concerned.

(Culled from a speech delivered by the Honourable the Premier of the Western Region, Chief Obafemi Awolowo, to the Western House of Assembly, on Wednesday, 14th December, 1955).